

[Date]

[Client Name]

[Client Title]

[Company Name]

[Company Address]

Re: Fee Structure for Retained Executive Search - [Job Title/Reference Number]

Dear [Client Last Name],

This letter outlines the professional fee structure for the retained executive search engagement to be conducted by [Your Firm Name] for the position of [Job Title].

1. Professional Fee

The total professional fee for this assignment is calculated at [Percentage]% of the successful candidate's first-year total estimated cash compensation (including base salary and target bonus). A minimum fee of \$[Amount] applies to this search.

2. Payment Schedule

As this is a retained engagement, the fee is payable in three equal installments of \$[Amount] (based on the estimated compensation):

- **First Installment:** Invoiced upon execution of this agreement (Retainer to initiate search).
- **Second Installment:** Invoiced [Number] days after the commencement of the search or upon presentation of the short-list of candidates.
- **Final Installment:** Invoiced upon the candidate's acceptance of the offer.

The final installment will be adjusted to reflect the actual negotiated compensation if it differs from the initial estimate.

3. Reimbursable Expenses

Out-of-pocket expenses incurred during the search (such as travel for consultants and candidates, background checks, and specialized assessments) will be billed monthly at cost. Any single expense exceeding \$[Amount] will require prior client approval.

4. Replacement Guarantee

Should the placed candidate leave the company for any reason other than restructuring or redundancy within [Number] months of their start date, [Your Firm Name] will conduct a replacement search for no additional professional fee, charging only for incurred expenses.

Please acknowledge your agreement to these terms by signing below.

Sincerely,

[Your Name]
[Your Title]
[Your Firm Name]

Accepted by:

[Client Name]
[Date]