

[Your Name/Company Name]
[Your Address]
[City, State, Zip Code]
[Date]

[Client Name]
[Client Company]
[Client Address]
[City, State, Zip Code]

RE: Response to Proposed Penalty Clauses - [Contract/Reference Number]

Dear [Client Contact Name],

Thank you for sharing the proposed terms for our upcoming placement agreement. We have reviewed the document, specifically the inclusion of contractual penalty clauses regarding [mention specific area, e.g., candidate withdrawal or replacement timelines].

After careful consideration, we must respectfully decline the inclusion of these penalty clauses in our final agreement. Our company policy precludes the acceptance of liquidated damages or punitive financial penalties for the following reasons:

- **Service Nature:** As a placement service, we facilitate introductions between independent third parties. While we maintain rigorous screening standards, we cannot accept financial liability for the ultimate decisions or actions of individual candidates.
- **Collaboration:** We believe that a successful placement is a collaborative effort. Penalties create an adversarial framework rather than a partnership focused on quality.
- **Risk Alignment:** Our standard Terms of Business already include [mention your alternative, e.g., a replacement guarantee or credit period], which we believe offers a fair and industry-standard protection of your investment.

We remain very enthusiastic about supporting your hiring needs and are committed to delivering high-quality talent to your team. We propose that we move forward using our standard [Replacement/Refund] clause in lieu of the proposed penalties.

Please let us know if you would like to discuss this further. We are happy to review the existing guarantee periods to ensure you feel secure in this partnership.

Sincerely,

[Your Signature]
[Your Printed Name]
[Your Title]