

**[Date]**

**[Client Name]**

[Client Address]

[City, State, Zip Code]

**Re: Engagement for M&A Cash Flow Forecasting and Budgeting Services**

Dear **[Contact Name]**,

This letter confirms the engagement of **[Consulting Firm Name]** ("the Advisor") by **[Client Name]** ("the Client") to provide specialized financial advisory services regarding the proposed acquisition/merger of **[Target Company Name]**.

### **1. Scope of Services**

The Advisor will perform the following services:

- Development of a detailed post-merger cash flow forecast for a period of [Number] months.
- Creation of an integration budget including one-time transaction costs and synergy realization expenses.
- Analysis of working capital requirements for the combined entity.
- Scenario modeling for best-case, worst-case, and base-case financial outcomes.
- Assessment of debt service coverage and liquidity ratios post-transaction.

### **2. Client Responsibilities**

The Client agrees to provide timely access to all necessary financial records, historical data, and management personnel. The Advisor will rely on the accuracy and completeness of the information provided by the Client and the Target Company without independent verification.

### **3. Fees and Expenses**

The fee for this engagement is **[Amount]**, payable as follows:

- [Percentage]% non-refundable retainer due upon execution.
- [Percentage]% due upon delivery of the draft forecast.
- [Percentage]% due upon final delivery.

Out-of-pocket expenses will be billed at cost.

### **4. Confidentiality**

Both parties agree to maintain the strict confidentiality of all proprietary information and transaction details shared during the course of this engagement.

## **5. Limitation of Liability**

The services provided are for management's internal use only and do not constitute an audit or a legal opinion. The Advisor is not responsible for the ultimate success of the transaction or the accuracy of future projections.

## **6. Governing Law**

This agreement shall be governed by the laws of the State of **[State Name]**.

Please sign and return a copy of this letter to indicate your acceptance of these terms.

Sincerely,

**[Name of Advisor Representative]**  
[Title]  
[Consulting Firm Name]

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### **Accepted and Agreed:**

Signature: \_\_\_\_\_

Name: [Name of Client Signatory]

Title: [Title]

Date: [Date]