

[Company Letterhead]

[Date]

[Name of External Audit Firm]

[Address]

[City, State, Zip Code]

RE: Management Representation Letter - Litigation and Contingent Liabilities

Dear [Name of Engagement Partner],

This representation letter is provided in connection with your audit of the financial statements of [Company Name] for the period ended [Fiscal Year End Date]. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with [Applicable Accounting Framework, e.g., GAAP/IFRS].

We confirm, to the best of our knowledge and belief, the following representations regarding litigation, claims, and assessments:

1. **Completeness:** We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
2. **Communication with Legal Counsel:** We have provided you with a complete list of all internal and external legal counsel consulted regarding litigation and claims. We have authorized such counsel to respond directly to your inquiries.
3. **Recognition and Measurement:** All liabilities, both fixed and contingent, have been properly recognized or disclosed in the financial statements in accordance with [Applicable Accounting Framework]. This includes:
 - Probable losses that can be reasonably estimated have been accrued.
 - Possible losses that are not yet probable, or where the amount cannot be estimated, have been disclosed in the notes to the financial statements.
4. **Specific Matters:** There are no other pending or threatened items of litigation, claims, or assessments that have not been disclosed to you, including those related to:
 - Product warranties or defects.
 - Environmental compliance and remediation.
 - Employment-related disputes or regulatory investigations.
 - Intellectual property disputes.
5. **Unasserted Claims:** We have disclosed all unasserted claims or assessments that our legal counsel has advised us are probable of assertion and must be disclosed.
6. **Subsequent Events:** No events have occurred subsequent to the balance sheet date regarding litigation or contingencies that require adjustment to, or further disclosure in, the financial statements.

Sincerely,

[Name of Chief Executive Officer]
Chief Executive Officer

[Name of Chief Financial Officer]
Chief Financial Officer

[Name of General Counsel]
General Counsel