

[Your Name]  
[Your Position]  
[Your Company Name]  
[Company Address]  
[City, State, ZIP Code]  
[Email Address]  
[Today's Date]

[Recipient Name]  
[Recipient Position]  
[Recipient Company Name]  
[Recipient Address]  
[City, State, ZIP Code]

Subject: Contract Rejection Due to Unfavorable Payment Terms

Dear [Recipient Name],

This letter serves as formal notification of **contract rejection due to unfavorable payment terms**. After thorough evaluation, the proposed payment conditions do not align with our financial policies and operational requirements. We believe that entering into this agreement could adversely impact our cash flow and overall business stability. Therefore, we must respectfully decline the contract offer as presented.

We remain open to renegotiating terms that are mutually beneficial and look forward to potential future collaborations under more favorable financial arrangements.

Thank you for your understanding.

Sincerely,  
[Your Name]  
[Your Position]  
[Your Company Name]