

[Date]

[Client Name]

[Company Name]

[Address]

[City, State, Zip Code]

Re: Engagement for ESOP Valuation Services

Dear [Client Name],

This letter confirms that [Valuation Firm Name] ("we" or "us") has been engaged by [Company Name] ("the Company") to perform a professional valuation of the common stock of the Company for the Employee Stock Ownership Plan ("the ESOP").

1. Purpose of the Valuation

The purpose of this valuation is to determine the Fair Market Value of the Company's shares as of [Valuation Date] to assist the ESOP Trustee in meeting annual reporting and compliance requirements under ERISA and Internal Revenue Code regulations.

2. Scope of Services

We will perform the following services:

- Review of historical financial statements and tax returns.
- Interviews with management regarding operations and future outlook.
- Analysis of industry and economic trends.
- Application of appropriate valuation methodologies (Income, Market, and Asset approaches).
- Preparation of a formal valuation report.

3. Client Responsibilities

The Company agrees to provide all necessary financial data, projections, and legal documents required for the valuation. We will rely on this information without independent verification for accuracy or completeness.

4. Fees and Payment

Our fee for this engagement is estimated to be [Amount]. A retainer of [Amount] is required prior to commencement. The balance is due upon delivery of the draft report. Out-of-pocket expenses will be billed separately.

5. Confidentiality

We will maintain the confidentiality of all non-public information provided by the Company and will not disclose such information to third parties without prior written consent, except as required by law.

6. Limitations and Distribution

The valuation report is intended solely for the use of the ESOP Trustee and the Company for the stated purpose. It may not be used for any other purpose or distributed to third parties without our express written consent.

Please indicate your acceptance of these terms by signing below.

Sincerely,

[Your Name]

[Title]

[Valuation Firm Name]

Accepted and Agreed:

By: _____

Name: [Client Representative Name]

Title: [Title]

Date: _____