

[Date]

[Client Name]

[Client Title]

[Company Name]

[Address]

[City, State, Zip]

Re: Engagement for Business Valuation Services for Succession Planning

Dear [Client Name],

This letter confirms that [Valuation Firm Name] ("the Firm") has been engaged by [Company Name] ("the Client") to perform a business valuation of [Target Entity Name] as of [Valuation Date].

1. Purpose of Engagement

The purpose of this valuation is to determine the [Standard of Value, e.g., Fair Market Value] of the subject interest to assist management in internal succession planning and potential ownership transition. This report is intended for internal planning purposes and should not be used for tax filings or litigation without prior written consent.

2. Scope of Services

The Firm will provide a [Type of Report, e.g., Detailed/Summary] Valuation Report. Our analysis will include:

- A review of historical financial statements and operational data.
- Discussions with management regarding business outlook and risks.
- Application of relevant valuation approaches (Asset, Income, and Market approaches).
- Determination of appropriate discounts for lack of control or marketability, if applicable.

3. Client Responsibilities

The Client agrees to provide all necessary financial records, projections, and legal documents required for the analysis. The Firm will rely on this information without independent verification of its accuracy.

4. Fees and Payment

The professional fee for this engagement is estimated at \$[Amount]. A retainer of \$[Amount] is required upon execution of this letter. The remaining balance is due upon delivery of the draft report.

5. Timeline

We anticipate delivering a draft report within [Number] business days following the receipt of all requested documentation.

6. Confidentiality

All non-public information provided by the Client will be held in strict confidence and used solely for the purpose of this engagement.

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

Sincerely,

[Signature]

[Valuator Name]

[Valuation Firm Name]

Accepted and Agreed:

Signature: _____

Name: [Client Name]

Date: _____