

The appraisal engagement letter

United States edition

[Firm letterhead]

[Date]

[Client name]

[Client address]

Dear [Client contact],

THE ENGAGEMENT

We will estimate the [standard of value] of [describe the subject asset, business or interest, including the percentage interest and whether it is controlling or marketable] as at the effective date of [date].

INTENDED USE AND INTENDED USERS

The valuation is prepared solely for [the stated purpose] and solely for the use of [named intended users]. It may not be used for any other purpose, and no other party may rely on it.

The report may not be distributed, published, quoted from, or attached to any other document, in whole or in part, without our prior written consent.

SCOPE OF WORK

Our work will include [document review, management interviews, inspection or its absence, market and industry research, and the approaches to value we expect to consider].

We will rely on financial and other information provided by management without auditing or verifying it. This is not an audit, a review or a compilation, and we express no assurance on any financial information.

THE EFFECTIVE DATE

Our conclusion will be as at [date]. Events occurring after that date are not reflected, and we have no obligation to update the report for anything that happens afterwards unless separately engaged to do so.

THE REPORT

We will issue [a detailed report / a summary report / a calculation of value], which will set out the information relied on, the assumptions and limiting conditions, the approaches considered, and our conclusion. A calculation of value is not a conclusion of value and the report will say so.

FEES

Our fee is [amount] in US dollars, invoiced [when] and payable within [number] days. Our fee is not contingent on the conclusion reached, on the occurrence of any transaction, or on any other outcome. Testimony, deposition and any update are charged separately at [rate].

CONFIDENTIALITY AND RETENTION

We keep the engagement and the information you provide confidential except where the law, a court or our professional body requires disclosure. We hold information in accordance with applicable state privacy law and retain our file for [number] years.

AGREEMENT

Please sign and return a copy before we begin.

[Name], [Firm name]

Agreed by [Client name]:

Signature _____ Date _____

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