September 2, 2021

Re: **G.M. Maayan 2000 (07) Ltd. And Gershon Hitman**

1. I, Gershon Hitman, function as the CEO and owner of Maayan 2000.
2. Article 3i1 of the Income Tax Ordinance, which addresses the taxation of company shareholder withdrawals, was first implemented in 2017.
3. Under the aforesaid article, a debit balance that remains in place for over one year will automatically constitute a dividend or salary.
4. In 2016, there was a debit balance in my Maayan 2000 shareholder account.
5. I maintain that I returned the loan/withdrawal in full in the course of 2017.
6. With respect to a part of the amount, there is a civil dispute pending between the tax authorities and myself as to if and when it was returned.
7. It should be noted that as of 2019 all outstanding balances had been returned or paid in full.
8. On account of the disputed amount and in view of the tax authorities’ policy, they have chosen to open an investigation against me with respect to the aforesaid dispute.
9. In my judgment, since the tax has been paid in full, the company is not likely to face any substantial monetary difficulty as a result of the aforesaid dispute and investigation.

\_\_\_\_\_[signature]\_\_\_\_

Sincerely,

Gershon Hitman