



**Israel Tax Authority
Compensation Fund**

To Whom It May Concern:

October 26, 2023

Re: Compensation to Vessels pursuant to the Property Tax and Compensation Fund Law, 1961

I hereby certify that pursuant to the Property Tax and Compensation Fund Law, 1961 (hereinafter: the "**Law**"), compensation will be awarded for "War Damage" to any Israeli or foreign vessel that is situated within the Economic Waters of the State of Israel.

War damage is defined under the Law as damage that is caused to the body of an asset due to acts of war by the regular forces of an enemy or due to other acts of hostility against Israel, or due to acts of war by the Israel Defense Forces.

Pursuant to the Property Tax and Compensation Fund (Payment of Compensation) (War Damage and Indirect Damage) Regulations 1973 (hereinafter: the "**Regulations**"), the rate of the compensation is 100% of the "Actual Damage".

The Actual Damage is defined in the Regulations as the difference between the "Value of the Asset" prior to being damaged and the "Value of the Asset" immediately after being damaged, or any damage rehabilitation expenses, whichever is the lesser, plus the costs of mitigation of the damage, with the value of the asset being the sum that would have been received for the asset upon a sale from a willing vendor to a willing purchaser on the date of occurrence of the damage.

Pursuant to the Law, the aforesaid compensation shall also be granted to vessels that are registered in Israel or that are required to be registered in Israel even if they are outside of the Economic Waters of the State of Israel and are harmed by War Damage.

Amir Dahan

Compensation Fund Manager
Israel Tax Authority