

Date: [Insert Date]

Account Number: [Insert Account Number]

Subject: Annual Tax Reporting Information - Dividend Reinvestment Plan (DRIP)

Dear [Recipient Name],

This letter serves as an advisory regarding your participation in the [Company Name] Dividend Reinvestment Plan (DRIP) for the tax year [Year].

Please find below the summary of your dividend reinvestment activities for the period ending December 31, [Year]:

- **Total Cash Dividends Earned:** \$[Amount]
- **Total Shares Purchased via Reinvestment:** [Quantity]
- **Average Price Per Share:** \$[Amount]
- **Total Plan Balance:** [Total Shares]

Tax Information:

Even though your dividends were automatically reinvested to purchase additional shares, the total cash dividends earned are generally considered taxable income by the IRS/tax authorities for the year in which they were paid. You will receive a formal Form 1099-DIV (or equivalent tax statement) separately, which should be used when filing your annual tax return.

Cost Basis Tracking:

It is important to maintain records of these reinvestments as they represent your "cost basis" for the new shares. This information will be required to calculate capital gains or losses when you eventually sell the shares.

If you have questions regarding your account statement, please contact our Shareholder Services department at [Phone Number] or [Email Address]. For specific tax advice, please consult with a qualified tax professional.

Sincerely,

[Name/Department]

[Company Name]

[Address]