

The Depository Trust Company

IMPORTANT

REVISION OF B# 3145, EDS ELECTION INSTRUCTIONS

B#: 3185
DATE: March 22, 2002
TO: All participants
CATEGORY: Dividends
FROM: Lucy DiPaolo, Supervisor, Dividend Department
ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers
SUBJECT: TaxRelief - Country: SWITZERLAND
Market 2000+ HOLDRS CUSIP: 57059Y204
Paid on Novartis AG (NVS), a component of the HOLDR
R/D: 3/25/2002 P/D: TBA EDS CUT-OFF: 03/26/2002

*****WARNING TIME CRITICAL*****

DTC has been notified by The Bank of New York, the depository bank for the Market 2000+ HOLDRS, that a dividend has been declared for Novartis AG (NVS), a component of the Market 2000+ HOLDRS. Novartis AG (NVS) dividends are covered under the Tax Convention between the United States and Switzerland, that qualifying U.S. beneficial owners are entitled to a reduced tax treaty rate of 15% or 0%, rather than the statutory withholding tax rate of 35%.

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) to certify all or a portion of their position entitled to the applicable withholding tax rate. Participants are urged to consult the PTS function TAXI (TAXINFO) before certifying their elections over EDS.

NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS MARCH 26, 2002.

Please be aware that March 26, 2002 will be the only day available to certify for tax elections via EDS.

PLEASE REFER TO DTC'S IMPORTANT NOTICE B# 3121 FOR ADDITIONAL INFORMATION REGARDING THE UNDERLYING ISSUE, NOVARTIS AG (NVS) CUSIP #66987V109.

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PARTICIPANTS ARE INSTRUCTED TO USE THE EDS OPTIONAL DIVIDEND SYSTEM TO MAKE THEIR ELECTION:

- Option #1: IS FOR THE UNFAVORABLE RATE (LESS 35% RATE)**
- Option #2: IS FOR THE UNFAVORABLE RICS (LESS 35% RATE)**
- Option #3: IS FOR THE FAVORABLE U.S. INDIVIDUALS (LESS 15% RATE)**
- Option #4: IS FOR THE FAVORABLE U.S. CORPORATIONS (LESS 15% RATE)**
- Option #5: IS FOR THE FAVORABLE RICS (LESS 15% RATE)**
- Option #6: IS FOR THE FAVORABLE OTHER ENTITIES (LESS 15% RATE)**
- Option #7: IS FOR THE EXEMPT PENSION PLANS (LESS 0% RATE)**

IF PARTICIPANTS DO NOT CERTIFY THROUGH EDS FOR THE FAVORABLE RATE, THEY WILL RECEIVE THE DIVIDEND WITH 35% WITHHELD.

Important: Prior to certifying over EDS, participants are reminded to read, understand and comply with the information in the Legal Conditions category of TAXINFO-Switzerland under the PTS function TAXI .

Participants who fail to meet the EDS deadline or have other beneficial holders that are not eligible for the EDS process for whom they wish to file a reclaim may use DTC's **TaxReclaimsm** form preparation service, available by using the Tax Reclaim System (TAXR) function over PTS. **TaxReclaimsm** is DTC's proprietary withholding tax form preparation service that calculates reclaim entitlements and prepares the standard tax reclamation form for filing with the foreign taxing authorities or other designated agent. To enroll in **TaxReclaimsm**, please contact your Relationship Manager.

Questions regarding this Important Notice should be directed to Ms. Frederick Ceraso or myself of DTC's Dividend Department at (212) 855-4784 or 4531 respectively.