

The Depository Trust Company

IMPORTANT

B#: 3214

DATE: April 02, 2002

TO: All participants

CATEGORY: Dividends

FROM: Lucy DiPaolo, Supervisor, Dividend Department

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

SUBJECT: Daimler Chrysler - CUSIP: D1668R123
Procedures for Payment of Annual Dividend
R/D: 4/10/02 P/D: 04/11/02 EDS Cut-Off Date: 4/29/02

On April 10, 2002, **Daimler Chrysler AG** will hold its annual general meeting where it is expected that shareholders will approve the company's proposed dividend. If approved, April 10 will also be set as the record date and the following day, April 11, will be set as the payable date. It is anticipated that the New York Stock Exchange will set April 11, 2002 as the ex-dividend date. The dividend has been declared in Euros and it is the intention of Daimler Chrysler AG to provide the U.S. dollar rate on the record date, April 10, 2002. DTC will allocate the dividend to participants on April 11 based on participants' record date positions. In addition, DTC will perform daily interim accounting from record date +1 (April 11) through ex-dividend date +2 (April 15) - the last date on which trades settle with the dividend. For activity identified as **with@dividend**, allocation to participants will be made on the business day following the activity by crediting the money settlement account of the receiver and debiting the money settlement account of the deliverer.

Allocations made on the payable date April 11 and each subsequent day through April 15 will be made net of 21.1% German withholding tax (statutory rate). The April 11 payment will be processed under function code 09, Foreign Dividend Unfavorable Rate and payments made April 12 through April 15 will be processed as cash adjustments, CADJs.

Stock Loan Adjustments

DTC will process stock loan income adjustments on April 11 for loan positions as of the close of business on the record date, April 10.

During the interim accounting period, deliver orders (DO) representing stock loan movements will be captured and generate a CADJ, debiting the deliver and crediting the receiver. A subsequent stock loan income adjustment will be processed as a CADJ debiting the receiver and crediting the deliver. The net result will be that stock loan activity during the interim accounting period will not affect the dividend.

Tax Refund Process

DTC has implemented an Elective Dividend Service (EDS) procedure for a quick Aconditional@refund of German withholding tax. Relief at source is not obtainable under German statute. However, participants are eligible for a refund of the withholding tax for beneficial owners who are entitled to a more favorable tax withholding rate. Participants will electronically certify via EDS, the portion of their dividend position that was entitled to a favorable tax rate of 15% (tax refund of 6.1%) or an exempt rate (tax refund of 21.1%). For favorable rate elections, participants will be required to enter the total number of beneficial owners on whose behalf they are electing, in addition to the total quantity of shares.

Following is a brief summary of those beneficial owners entitled to a favorable or exempt tax refund.

Favorable Rate - Tax Refund of 6.1%

Mutual Funds/Regulated Investment Companies (RICS)

A mutual fund or RIC organized as a corporation may claim the favorable tax treaty rate. If a RIC is organized as a trust, the favorable treaty rate is also available because the RIC is considered a corporation under U.S. tax law.

Corporate and Private Pension Funds

Qualified pension trusts which are tax-exempt in the United States and maintain that more than half of the underlying beneficiaries of the trust qualify for the tax treaty benefits may claim the favorable treaty rate.

Trusts

Generally, tax treaty benefits may only be claimed by the underlying qualified beneficiaries of the trust because a trust is normally taxed as a conduit. However, if the trust does not distribute its income currently or is organized as a corporation for U.S. tax purposes, the trust may claim the favorable treaty rate.

Insurance Companies

Tax treaty benefits are available to residents of the U.S. which in general include individuals, corporations or other entities which are subject to tax in the United States as residents. An insurance company, organized as a corporation in the U.S. may claim the favorable treaty rate.

Corporations

Tax treaty benefits are available to residents of the U.S. which in general include individuals, corporations or to other entities which are subject to tax in the United States as residents. An entity organized as a corporation in the U.S. may claim the favorable treaty rate.

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Banks

Tax treaty benefits are available to residents of the U.S. which in general include individuals, corporations or other entities which are subject to tax in the United States as residents. A bank, organized as a corporation in the U.S. may claim the favorable treaty rate.

Government Agencies and Government Pension Funds

Tax treaty benefits available to government agencies and government pension funds are similar to treaty benefits afforded to other U.S. corporations which are subject to tax in the United States as residents. The treaty does not provide for exemption from tax of the U.S. government or its pension funds. However, a government agency or pension fund may claim the favorable treaty rate.

Individuals

Tax treaty benefits are available to residents of the U.S. which in general include individuals, corporations or other entities which are subject to tax in the United States as residents. An individual resident in the U.S. may claim the favorable treaty rate.

Qualified Beneficiaries of Individual Retirement Accounts (IRA)

Tax treaty benefits are available to residents of the U.S. which in general include individuals, corporations or other entities which are subject to tax in the United States as residents. An IRA is not considered a legal entity for U.S. tax purposes and cannot benefit from tax treaty in its own right. However, qualified beneficiaries of IRAs may claim the favorable treaty rate.

Exempt Rate - Tax refund of 21.1%

Charitable Organizations and Foundations

A U.S. charitable entity operated exclusively for religious, charitable, scientific, educational or public purposes is exempt from the tax in the U.S. and would be exempt from German tax if it were a German entity carrying on all its activities in Germany.

Other

Limited and General Partnerships

Generally, tax treaty benefits may only be claimed by the underlying partners of a partnership because a U.S. partnership is normally taxed as a conduit. However, treaty benefits are available for each partner if the partner separately qualifies for treaty benefits.

All other entities are generally subject to German withholding tax of 21.1%.

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Participants making exempt rate elections on behalf of qualifying U.S. tax exempt beneficial owners are also required to enter a German identification number for each beneficial owner. The German tax authorities plan to initially refund 6.1% on those elections, review the identification numbers provided with the EDS elections, re-validate tax exempt status and refund the remaining 15%. If not validated, the additional 15% will not be refunded and participants will be notified by DTC of invalid identification numbers.

DTC will process the tax refund as follows:

A second dividend (function code 09) will be announced on DIVA to support the EDS election process. The record date will be set to April 10, 2002, ex-dividend date to April 11, and payable date to unknown (99/99/99). This announcement will not have a rate associated with it and will not trigger an allocation. It will be solely used as the basis for participant elections to the favorable or exempt refund.

DTC will capture position on this announcement as of the record date, and interim accounting will be applied through the settlement date of April 15, 2002.

Once all interim accounting adjustments have been applied to the dividend position, EDS instructions can be entered. **The EDS window will commence on April 16, 2002 and extend for ten business days, closing on April 29, 2002.**

The refund payment is expected to be received within six weeks of the date of receipt by the German Taxing Authority. Once the refund is received by DTC, payment will be made to participants. The tax refund will be allocated as special cash distributions, function code 43. Eligibility rules and all other legal conditions with respect to the use of EDS are contained in DTC's Tax Information repository, TaxInfo. Announcement information will be available via our Dividend Announcement System (DIVA) and election information will be available via EDS Forecast Inquiry prior to the record date.

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 **TaxReclaimK** form preparation service, available by using the Tax Reclaim System (TAXR) function over PTS. **TaxReclaimK** 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 **TaxReclaimK**, please contact your Relationship Manager.

Participants are reminded that they must read, understand and comply with information in the ALegal Conditions® and ATax Relief Procedures and Documentation® categories for each country on TaxInfo. Participants are also reminded that the German Taxing Authorities have the right to audit, and if denied, can result in a participant being removed from the EDS process for Germany.

Any questions regarding this Important Notice can be directed to Lucy DiPaolo at (212) 855-4531, or Frederick Ceraso at (212) 855-4784.