

The Depository Trust Company

IMPORTANT

B#: 1867

DATE: April 30, 2001

TO: All participants

CATEGORY: Dividends

FROM: Mario Zaccardi, Supervisor, Dividend Department

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

SUBJECT: TaxRelief - Country: Germany
Sap AG CUSIP: 803054204
Record Date: 05/03/01 Payable Date: 05/14/01
EDS Cut-Off Date: 05/11/01

The above cash dividend will be allocated on Sap AG net of the 26.375% German withholding tax. Participants can elect to receive a quick conditional refund of 16.375% for those beneficial owners entitled to the favorable tax rate of 10%, or for a refund of the entire 26.375% for those qualifying exempt organizations.

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) to certify all or a portion of their positions entitled to the applicable tax refunds.

EDS has been modified to support requirements specific to the German agreement. Participants must enter the total number of beneficial owners on whose behalf they are electing, in addition to the total quantity of shares elected. 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. During this period of transition to EDS for German withholding tax relief on DTC eligible securities, participants may enter the previously issued eight digit numbers for tax exempt beneficial owners. The German tax authorities plan to initially refund 16.375% on those elections, review the identification numbers provided with the EDS elections, re-validate tax exempt status, refund the remaining 10% and issue Exemption Certifications with new six digit registration numbers. If not validated, the additional 10% will not be refunded and Participants will be notified by DTC of invalid identification numbers.

-Over-

NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS MAY 11, 2001.

Participants are reminded that they must read, understand and comply with information in the Legal Conditions and Tax Relief Procedures and Documentation categories on TAXI. 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. Audit requests can include IRS form 6166 to prove entitlement.

Participants making incorrect declarations will be responsible for claiming or refunding any withholding tax to the German Tax Authorities. Participants will also be liable for any foreign exchange fluctuations impacting the amount of their refund or claim with the German Tax Authorities.

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

Favorable Rate - Tax Refund of 16.375%

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.

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.

B#

1867

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 26.375%

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 26.375%.

Eligibility rules and all other legal conditions with respect to the use of EDS are contained in DTC's **TAXINFO** (TAXI) function over the Participant Terminal System (PTS).

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

Questions regarding this Important Notice may be directed to Mr. George Di Garbo or myself of DTC's Dividend Department at (212) 855-4539/40 respectively.