

# The Depository Trust Company

# IMPORTANT

**B#:** 2044

**DATE:** May 23, 2001

**TO:** All participants

**CATEGORY:** Dividends

**FROM:** Mario Zaccardi, Supervisor, Dividend Department

**ATTENTION:** Dividend, Reorganization and Operations Managers, Cashiers

**SUBJECT:** TaxRelief - Country: The Netherlands  
Royal Dutch Petroleum Company CUSIP:780257804  
Record Date: 05/22/01 Payable: 06/06/01  
EDS Cut-Off: 05/30/01

DTC will be offering at-source tax relief for the ROYAL DUTCH PETROLEUM dividend, record May 22, 2001, payable June 6, 2001. DTC is awaiting final approval by the Netherlands Ministry of Finance for full utilization of the EDS process for DTC eligible Netherlands securities (NY Registry Shares and ADRs) that currently utilize the split letter process. **Similar to the previous dividend, Royal Dutch Petroleum Company Elective Dividend Service (EDS) elections must be supported by hard copy split letter that must be completed and returned directly to Morgan ADR C/O Globe Tax Services. See the attached notice received from Morgan ADR Globe Tax Services.**

Participants using DTC's TaxRelief<sup>SM</sup> can elect to receive all or a portion of their Royal Dutch position at an exempt or favorable withholding tax rate during the initial EDS election window. EDS will provide participants with both a relief-at-source mechanism and a post-payable date adjustment mechanism that will allow participants to re-certify their record date positions should they miss the initial EDS election window or need to adjust their initial election. Participants will receive the appropriate tax adjustments based upon that re-certification.

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The Elective Dividend System, PTS Function EDS, has been revised from last year to include beneficial owner information for the unfavorable rate. EDS will require participants to provide a breakdown of the 25% (Unfavorable) withholding election into the following four categories: Non Treaty Countries, U.S. Article 36, Treaty Countries Non-U.S. (Eligible for 15% withholding outside of EDS) and Other Treaty Countries. Upon completing the first screen in EDS, participants will be prompted to provide the breakdown for shares elected at the 25% rate (see screens attached). **Participants will not be able to proceed through the EDS election process until the breakdown of the beneficial owner information is provided**

**NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS MAY 30, 2001.**

**EDS ELECTIONS MUST BE SUPPORTED BY HARDCOPY SPLIT LETTER THAT MUST BE COMPLETED AND SUBMITTED TO:**

**MORGAN ADR (c/o Globe Tax Services)  
90 Broad Street – 8<sup>th</sup> Floor  
New York, New York  
Telephone: 1-800-929-5484**

**POST PAYABLE ADJUSTMENTS**

EDS' windows will be opened after the allocation date to support post payable date election revisions in an electronic fashion. The post-payable date tax relief process will work very similarly to the original TaxRelief<sup>SM</sup> via EDS function. The participant will be allowed to re-certify their record date positions to either obtain an additional tax refund or return monies resulting from over elections, within a period not exceeding one year after the dividend was payable. The first post-payable date EDS process will commence on June 07 and will close on June 15. The post-payable adjustment period will run until May 17, 2002, not exceeding one year after the dividend was payable. **Participants must also send a revised split letter to Morgan ADR C/O Globe Tax Services to support election recertifications.**

Listed below are the timeframes for the post payable date election windows.

| ELECTION PERIOD              | EDS OPEN | EDS CUT-OFF | ANTICIPATED PAYDATE |
|------------------------------|----------|-------------|---------------------|
| AT SOURCE RELIEF             | 5/23     | 5/30        | 6/6                 |
| 1 <sup>ST</sup> POST PAYABLE | *6/7     | 6/15        | 6/22                |
| 2 <sup>ND</sup> POST PAYABLE | *6/25    | 7/13        | 7/20                |
| 3 <sup>RD</sup> POST PAYABLE | *7/23    | 9/21        | 9/28                |
| 4 <sup>TH</sup> POST PAYABLE | *10/1    | 1/11        | 1/18                |
| FINAL POST PAYABLE           | *1/21    | 5/17        | 5/24                |

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**\* THE OPENING DATE FOR SUBSEQUENT POST PAYABLE ADJUSTMENT WINDOWS WILL OCCUR ONE DAY AFTER THE ALLOCATION OF THE PREVIOUS WINDOW. PLEASE REFER TO THE EDS FORECAST SCREEN FOR ALL DATES.**

**Participants are reminded that they must read, understand and comply with information in the “Legal Conditions” and “Tax Relief Procedures and Documentation” sections for U.S. residents investing in the Netherlands on DTC’s TaxInfo<sup>SM</sup>. Participants are also reminded that the Netherlands taxing authorities have the right to audit, and if denied, such action can result in a participant being removed from the EDS process for Netherlands issues.**

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).

Questions regarding this Important Notice may be directed to Mr. George Di Garbo myself of DTC’s Dividend Department at (212) 855-4539 or 4540.

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**TaxRelief<sup>SM</sup> – Sample of the EDS Election Screen:**

Participants will make their initial certification within the three categories of rates demonstrated below.

|  |                              |                          |
|--|------------------------------|--------------------------|
| Q\$IH                                      | THE DEPOSITORY TRUST COMPANY | DATE: 12/12/2000         |
| D0000023-03                                | EDS ELECTION INSTRUCTIONS    | TIME: 11:56:39           |
|  | FOREIGN TAX WITHHOLDINGS     |                          |
| =====                                      |                              |                          |
| PARTICIPANT: 1876 / TEST PARTICIPANT       | RECORD DATE POSITION:        | 750                      |
|  | DEFAULT ELECTION QUANTITY:   | 250                      |
| CUSIP: 999999999                           | DESCRIPTION OF SECURITY      | COUNTRY: Netherlands     |
| FOREIGN CASH DIV UNFAVOR -09               | RECORD DATE: 03/10/2001      | PAYABLE DATE: 03/25/2001 |
| INSTRUCTION CUTOFF DATE (S) ==> 03/15/2001 |                              |                          |
| CASH (USD)                                 |                              |                          |
| RATE% RATE DESCRIPTION                     | ELECTION QTY                 |                          |
| -----                                      | -----                        | -----                    |
| 25.00 TAX RATE UNFAVORABLE                 | 250                          |                          |
| -----                                      | -----                        | -----                    |
| 15.00 TAX RATE FAVORABLE                   | 200                          |                          |
| -----                                      | -----                        | -----                    |
| 0.00 TAX EXEMPT RATE                       | 300                          |                          |
| -----                                      | -----                        | -----                    |
| ===== NO MORE.                             |                              |                          |
| ENTER:PROCESS                              | PF3/15:COMPLETE              | PF6/18:PREVIOUS          |
| PF8/20:END                                 | PF9/21:SIGNOFF               | PF10/22:BACKWARD         |
|  |                              | PF7/19:EDS MENU          |
|  |                              | PF11/23:FORWARD          |

**TaxRelief<sup>SM</sup> – Sample of the EDS Election Screen (Beneficial Owner):**

Below is an example of the screen that will require the beneficial owners of shares earmarked for 25% withholding.

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QABL                THE DEPOSITORY TRUST COMPANY                DATE: 12/12/2000
D0000099-99        EDS - BENEFICIAL OWNER LEVEL ACCOUNTING        TIME: 12:56:54
=====
PARTICIPANT: 1875 / Test Participant                RECORD DATE POSITION:                750
INSTRUCTION CUTOFF DATE: 03/15/2001
CUSIP: 999999999 DESCRIPTION OF SECURITY                COUNTRY: NETHERLANDS
FOREIGN CASH DIVIDEND(09)                RECORD DATE: 03/10/2001 PAYABLE DATE: 03/26/2001
ELECTION QUANTITY:                250                WITHHOLDING RATE: 25.000000

CATEGORY ID  CATEGORY DESCRIPTION                QUANTITY
-----
1            NON-TREATY CNTRYS                100
2            US ARTICLE 36                25
3            TREATY CNTRYS NON-US 15%                100
4            OTHER TREATY CNTRYS                25

                                                    NO MORE.

=====
ENTER:PROCESS    PF3/15:COMPLETE    PF6/18:PREVIOUS    PF7/19:EDS MENU
PF8/20:END       PF9/21:SIGNOFF     PF10/22:BACKWARD   PF11/23:FORWARD

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