



Transfer of securities to BNP Paribas Arbitrage Issuance B.V. (“BNPP IBV”) pursuant to Part VII of the UK Financial Services and Markets Act 2000

On 19 November 2015, The Royal Bank of Scotland plc (with its registered office at 36 St Andrew Square, Edinburgh, Scotland) (“**RBS**”) and BNP Paribas S.A. (incorporated in France and with its registered office at 16, Boulevard des Italiens, 75009 Paris, France) (“**BNPP**”), acting through its London Branch, announced that the Court of Session in Scotland had approved and sanctioned the implementation of a banking business transfer scheme, whereby certain assets and liabilities related to RBS’s structured retail investor products and equity derivatives business would be transferred to BNPP pursuant to Part VII of the UK Financial Services and Markets Act 2000 (the “**Part VII Scheme**”).

The Part VII Scheme took effect on 7 December 2015 (the “**Effective Date**”).

On the Effective Date, BNPP, acting through its London Branch, became the issuer of those securities originally issued by RBS that were transferred pursuant to the Part VII Scheme. Immediately after the transfer of those securities to BNPP, acting through its London Branch, the role of the issuer under those securities was transferred, also under the terms of the Part VII Scheme, to BNPP IBV, a wholly owned subsidiary of BNPP. As part of the Part VII Scheme, BNPP guarantees all the obligations of BNPP IBV arising in respect of the transferred securities.

Under the Part VII Scheme, amendments were made to the terms of the transferring securities and to agreements related to them from the Effective Date in order to give effect to the Part VII Scheme, including (but not limited to) references to “RBS”, in its capacity as issuer of the transferred securities, being construed as references to “BNPP IBV”.

Details of the securities that have transferred under the Part VII Scheme as well as further information on the Part VII Scheme generally can be viewed at <http://warrants.bnpparibas.com/>

Transfers of securities to RBS plc pursuant to Part VII of the UK Financial Services and Markets Act 2000

On 6 February 2010 ABN AMRO Bank N.V. (registered with the Dutch Chamber of Commerce under number 33002587) changed its name to The Royal Bank of Scotland N.V. ("**RBS N.V.**") and on 1 April 2010 ABN AMRO Holding N.V. changed its name to RBS Holdings N.V.

On 23 September 2011, RBS N.V. and The Royal Bank of Scotland plc (with its registered office at 36 St Andrew Square, Edinburgh, Scotland) ("**RBS plc**") announced that the Court of Session in Scotland had approved and sanctioned the implementation of a banking business transfer scheme whereby eligible business carried on in the United Kingdom by RBS N.V. would be transferred to RBS plc pursuant to Part VII of the UK Financial Services and Markets Act 2000 (the "**Part VII Scheme**"). The Part VII Scheme took effect on 17 October 2011 (the "**Effective Date**").

From the Effective Date, RBS plc became the issuer of those securities originally issued by RBS N.V. which were transferred to RBS plc pursuant to the Part VII Scheme. Under the Part VII Scheme, amendments were made to the terms of the transferring securities and to agreements related to them from the Effective Date in order to give effect to the Part VII Scheme, including (but not limited to) references to "RBS N.V." being construed as references to "RBS plc". Details of these amendments are set out in the Scheme Document which can be viewed at http://www.investors.rbs.com/RBS_NV.

For details of which securities were transferred to RBS plc pursuant to the Part VII Scheme, investors should refer to http://www.investors.rbs.com/RBS_NV or, for securities issued from on or about 21 July 2011, investors should refer to the terms of the issue or offer documents (including term-sheets) (if they indicate that RBS plc was expected to become the issuer of the securities as a result of the Part VII Scheme, then RBS plc has become the issuer, unless the securities have been exercised, redeemed or repurchased and cancelled prior to the implementation of the Part VII Scheme).

For further details of the Part VII Scheme generally, investors should refer to http://www.investors.rbs.com/RBS_NV.

Open End Certificates on the S&P Custom/ABN AMRO Total Return Water Stocks Index (in EUR)

27 OCTOBER 2005

Final TERMS AND CONDITIONS

We are pleased to present for your consideration the transaction described below. We are willing to negotiate a transaction with you because we understand that you have sufficient knowledge, experience and professional advice to make your own evaluation of the merits and risks of a transaction of this type and you are not relying on ABN AMRO Bank N.V. nor any of the companies in the ABN AMRO group for information, advice or recommendations of any sort other than the factual terms of the transaction. This term sheet does not identify all the risks (direct or indirect) or other considerations which might be material to you when entering into the transaction. You should consult your own business, tax, legal and accounting advisors with respect to this proposed transaction and you should refrain from entering into a transaction with us unless you have fully understood the associated risks and have independently determined that the transaction is appropriate for you.

Time Table	
Pricing Date:	26 October 2005
Listing Date:	31 October 2005
Issue and Payment Date:	31 October 2005
Launch Date:	31 October 2005
Issuer:	ABN AMRO Bank N.V. (senior long term debt rating: Moody's Aa3, S&P AA-)
Lead Manager:	ABN AMRO Bank N.V.
Description:	The Index certificate tracks the performance of the Shares being comprised in the Water Stocks Index as described in the attached Index Description. Investors are entitled to exercise the Certificates on a yearly basis on specified Exercise Dates. The Issuer is entitled to terminate the Certificates under conditions specified.
Reuters Code (Index):	[.ABNWATERI]
Bloomberg Code (Index):	[ABNZWATI INDEX]
Index:	S&P Custom/ABN AMRO Total Return Water Stocks Index ("Water Stocks Index")
Index Launch Date:	10 October 2005
FX Rate Pricing Source	Reuters using spot prices USDEUR= R
Prevailing FX Rate	USD/EUR using FX Rate Pricing Source
Issue Price:	EUR 100
Number of Certificates issued:	100,000
Nominal Amount:	EUR 10,000,000
Trading Day:	Trading Day means any day that is a trading day on all the Relevant Exchanges other than a day on which trading on any such Relevant Exchange is scheduled to close prior to its regular weekday closing time;
Business Day:	Business Day means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New= York
Certificate Entitlement:	1 Certificate controls 1.2622597046 Water Stocks Index (to be fixed on Pricing Date, the Certificate Entitlement will be calculated as Index Value on Launch Date x FX Rate)
Expiration Date:	Open End
Cash Amount:	An amount (which shall be deemed to be a monetary value in the Certificate Settlement Currency) equal to: <ul style="list-style-type: none"> (a) Following Exercise, the value of the Water Stocks Index as determined by the Index Calculator at the Valuation Time on the Valuation Date multiplied by the Certificate Entitlement and the Prevailing FX Rate less Accrued Management Fee; Or (b) Following Issuer Call, the value of the Water Stocks Index as

	determined by the Index Calculator at the Valuation Time on the Valuation Date multiplied by the Certificate Entitlement and the Prevailing FX Rate less Accrued Management Fee;
Accrued Management Fee (F_t):	1.00% per annum, accrued daily and subtracted from the Cash Amount and calculated as: $\text{Fee}_{t-1} + 1.00\% \times \text{Index Value}_{t-1} \times \text{Certificate Entitlement} \times \text{Prevailing FX Rate} \times \text{DCF}_{t-1,t}$ <p>Where $\text{DCF}_{t-1,t}$ is the Day Count Fraction between Trading Day (t-1) and Trading Day t</p>
Holder's Exercise Right:	Holders are entitled, notwithstanding the Issuer having exercised its right of termination, to exercise the Certificates by giving three Business Days notice prior to a scheduled Valuation Date ("Exercise").
Exercise Date:	Three Business Days prior to the Valuation Date
Valuation Date:	In case of (i) an Issuer Call, the Issuer Call Date or (ii) upon Exercise, the Scheduled Valuation Date
Valuation Time:	The time with reference to which the Index Calculator calculates the daily value of the Water Stocks Index
Scheduled Valuation Dates:	2 nd November each year if such date is not a Trading Day the following Trading Day, from and including 2 nd November 2006
Issuer Call:	The Issuer is entitled to terminate the Certificates on any date upon twelve months notice against payment of the Early Termination Amount.
Issuer Call Date:	The day such notice is delivered by the Issuer can be, at the earliest, on the next following Business Day after the Issue Date.
Extraordinary Early Termination Event:	If the total number of Water Stocks Index Components is less than the Minimum Number of Water Stocks Index Components, then the day on which this occurs shall be the Extraordinary Early Termination Date. Upon such Extraordinary Termination Event the Certificates terminate automatically with two Business Days advance notice against payment of the "Extraordinary Early Termination Amount". The Extraordinary Early Termination Amount is an amount equal to the Underlying Value on the effective date of an Extraordinary Early Termination Date at the Valuation Time, multiplied by Certificate Entitlement and the Prevailing FX Rate and less the Accrued Management Fee.
Early Termination Amount:	For each Certificate an amount in EUR equal to the Index Value (see Appendix B) at the Valuation Time on the Early Termination Date taking into account the Certificate Entitlement and the Prevailing FX Rate less Accrued Management Fee.
Settlement:	Cash
Settlement Date:	5 Business Days following the Valuation Date or the Extraordinary Early Termination Date
Certificate Settlement Currency:	EUR
Calculation Agent:	ABN AMRO BANK N.V.
Index Calculator:	Standard & Poor's, 55 Water Street, New York, NY 10041
Clearing:	SIS (Sega InterSettle), EUROCLEAR, Clearstream Luxembourg
Classification for EU Savings Directive:	Category 9
Listing:	The Issuer intends to apply for listing on the SWX Swiss Stock Exchange
Secondary Settlement:	Trade Date + 3 Business Days
Indicative Spread:	1.0 % (under normal market circumstances)
Minimum Trading Size:	1 Certificate
Clearing System Trading Size:	1 Certificate
Associated Risks:	Please refer to Appendix A and Adjustment Provisions
ISIN:	CH0023013623
Symbol:	WASEU
Valoren:	2301362
Common Code:	23261197
Applicable law:	English
Selling restrictions:	No sales permitted into the U.S. or to U.S. persons, no sales permitted into the Netherlands or to Dutch persons unless by way of public offer, standard U.K. and Japan selling restrictions
Quotes / Information	
Info Line:	+41 (0)1 631 62 62
Trading Line:	+41 (0) 1 631 62 68/9
Fax Line:	+41 (0)1 631 48 34
E-mail:	abnamro.pip@ch.abnamro.com
Reuters:	AAHCH
Bloomberg:	AACH
Postal Address:	ABN AMRO Bank N.V Beethovenstrasse 33 / P.O. Box 2065 CH-8022 Zürich

Internet:

www.abnamromarkets.ch

This term sheet is for information purposes only and does not constitute an offer to sell or a solicitation to buy any security or other financial instrument. All prices are indicative and dependent upon market conditions and the terms are liable to change and completion in the final documentation

Standard & Poor's does not guarantee the accuracy and/or completeness of the S&P Custom/ABN Amro Total Return Water Stocks Index, any data included therein, or any data from which it is based, and Standard & Poor's shall have no liability for any errors, omissions, or interruptions therein. Standard & Poor's makes no warranty, express or implied, as to results to be obtained from the use of the S&P Custom ABN AMRO Total Return Water Stocks Index. Standard & Poor's makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P Custom ABN AMRO Total Return Water Stocks Index or any data included therein. Without limiting any of the foregoing, in no event shall Standard & Poor's have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages. ABN Amro has developed, maintained and is responsible for the methodology that is employed in connection with the S&P Custom/ABN AMRO Total Return Water Stocks Index. Standard and Poor's role is limited to providing consulting services to ABN Amro and performing calculations and data distribution in connection with the Index.

Standard & Poor's does not sponsor, endorse, sell, or promote any investment fund or other vehicle that is offered by third parties and that seeks to provide an investment return based on the returns of the S&P Custom ABN AMRO Total Return Water Stocks Index. A decision to invest in any such investment fund or other vehicle should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such fund or vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or vehicle.

APPENDIX A - RISK FACTORS

An investment in the Certificates entails significant risks not associated with similar investments in a conventional debt or equity security, including the following:

1. Market Risk: Level of Underlying Shares

The Certificates entitle the holder of a Certificate to receive the Settlement or Early Termination Amount from the Issuer on the Settlement Date. Investors are therefore at risk that the level of the Underlying shares may cause the Settlement or Early Termination Amount to be less than the amount paid for the Certificates. In addition to the market risk of the Shares in the S&P Custom/ABN AMRO Total Return Water Stocks Index, the purchase and sale of these shares may require investment in a currency different from the currency in which the Certificate is priced. Accordingly, this investment bears the market risk of a direct investment in the shares as well as currency risk. Investors are cautioned to take advice accordingly. The historical level of the Underlying shares should not be taken as an indication of the Underlying shares future performance during the term of the Certificates.

2. Secondary Market Risk

The price of the Certificates will be affected by a number of factors independent of the creditworthiness of the Issuer and the level of the Underlying shares, including, but not limited to, market interest, exchange rates and yield rates. Further, the level of the Underlying shares itself depends on a number of interrelated factors, including economic, financial and political events around the world, including factors affecting capital markets generally. The price at which a Certificate holder will be able to sell Certificates prior to the Early Termination or Exercise Date may be at a discount, which could be substantial, to the value of the Certificates at the Issue Date, if, at such time, the level of the Underlying shares is below, equal to or not sufficiently above the level of the Underlying shares at the Issue Date.

3. Liquidity

The Issuer cannot provide any assurances as to how the Certificates will trade in the secondary market or whether such market will be liquid or illiquid. No assurance can be given that there will be a market for the Certificates. If the Certificates are not traded on any exchange, pricing information for the Certificates may be more difficult to obtain, and the liquidity and prices of the Certificates may be adversely affected.

4. Conflicts of interest

Potential conflicts of interest may exist between the Calculation Agent and Certificate holders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable upon settlement of the Certificate.

Investors should consult their own business, tax, legal and accounting advisors with respect to this proposed transaction and they should refrain from entering into a transaction with us unless they have fully understood the associated risks and have independently determined that the transaction is appropriate for them.

APPENDIX B – Water Stocks Index Description

1. Definitions:

“**3 Month ADT**” means the average daily turnover of a Share Company in USD or the equivalent amount in another currency calculated by applying the prevailing Exchange Rate; the 3 Month ADT is calculated on the basis of the last 3 months and is provided by Bloomberg using the < Avg Daily Value Traded 3m> function;

“**ANR**” means the Analyst recommendation (buy, hold, sell) on 12 month consensus provided by Bloomberg on the Equity ANR function. If data are not available on the respective Bloomberg page, the Index Calculator will take the data from a page replacing the stated page or if no replacement page is available from any other data provider as selected at the reasonable discretion of the Index Calculator;

“**Business Day**” means a day on which commercial banks in London and New York are usually open for business to the public and settle payments;

“**Distributions**” means the cash equivalent of any and all distributions, dividends or other return or payment made in respect of an Existing Share net of applicable withholding taxes at the relevant rate adjusted by application of any applicable tax treaty without reference to tax credits;

“**Excess Amount**” means an amount equal to the difference between a Share Value and the Increase Share Amount on the Re-Weighting Date following an Increase Event;

“**Exchange**” means the SWX Swiss Stock Exchange;

“**Exchange Rate**” means the prevailing rate of exchange between the currency in which the Share is traded and the Settlement Currency as determined by the Index Calculator on the relevant date;

“**Existing Share**” means a Share, which is, immediately prior to the current Substitution Event, Increase Event or Re-Weighting Date, included in the Water Stocks Index;

“**Increase Share Amount (“ISA”)**” means the amount to be invested notionally in a New Share on an Re-weighting Date following an Increase Event. Whereby:

$$ISA_t = \frac{\text{Index Value}_t}{\text{Total number of Existing Water Stocks Index Components} + \text{number of New Shares}}$$

“**Index Calculator**” means, Standard & Poor’s, 55 Water Street, New York, NY 10041 or its successor;

“**Index Launch Date**” means 3 October 2005;

“**Market Disruption Event**” means

- General moratorium in respect of banking activities in country in which the Relevant Exchange is located; or
- Price Source Disruption. It becomes impossible to obtain the Exchange Rate at any Business Day in the inter-bank market; or
- Governmental Default with respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent

of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or

- Inconvertibility/non-transferrability The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Settlement Currency or (B) generally makes it impossible to deliver the Settlement Currency from accounts in the country of the principal financial centre of the Settlement Currency to accounts outside such jurisdiction or the Settlement Currency between accounts in such jurisdiction or to a party that a non-resident of such jurisdiction; or
- Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives this Issuer (or any of its Affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Settlement Currency; or
- Illiquidity. It is impossible to obtain a firm quote for the Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- A change in law in the country of the principal financial centre of the Underlying Currency which may affect the ownership in and/or the transferability of the Underlying Currency; or
- The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Underlying Currency;
- The unavailability of the Settlement Currency in the country of the principal financial centre of the Underlying Currency;

“**New Share**” means a Share which following the Substitution Date or an Increase Event will be included in the Water Stocks Index and upon inclusion will be referred to as Existing Share;

“**Number of Shares i**” means in relation to each Water Stocks Index Component i:

(A) on the Index Launch Date:

$$\frac{\text{Initial Index Value}}{\text{Number of Water Stocks Index Components} \times \text{Price } i}$$

(B) on each Re-weighting Date:

$$\frac{\text{Index Value before rebalance}}{\text{Number of Water Stocks Index Components} \times \text{Price } i}$$

(C) on each Substitution Date:

For all Shares i_{new} to enter in the Water Stocks Index:

$$\text{Number of Shares } i_{\text{new}} = \frac{\sum_{j_{\text{old}} \in R} (\text{Number of Shares})_{j_{\text{old}}} \times (\text{Price})_{j_{\text{old}}}}{(\text{Price})_{i_{\text{new}}} \times M}$$

Whereby

M = number of new Index Components entering the Water Stocks Index on the Substitution Date;

R = Set of those subscripts $j_{old} \in \{1, \dots, N\}$ which denote Shares being dropped from the Water Stocks Index on the Substitution Date.

“**Price**” means the last traded price on the Relevant Exchange on the respective Trading Day and, if not expressed in the Settlement Currency, converted into the Settlement Currency using the prevailing Exchange Rate;

“**Qualifying Share**” means a Share of a Qualifying Share Company;

“**Qualifying Share Company**” means a Share Company complying with the Water Stocks Index Selection Criteria;

“**Relevant Exchange**” means for any Water Stocks Index Component and Water Reserve Universe Component respectively such exchange or quotation system on which the respective Water Stocks Index Component and Water Reserve Universe Component respectively has its or their ADRs or GDRs respectively have their primary listing or is mainly traded;

“**Re-weighting Date**” means the 1st of October of each year starting 1st of October, 2006, or, if such day is not a Trading Day, the following Trading Day, such Re-weighting Date also being a Substitution Date, subject to a Market Disruption Event;

“**Settlement Currency**” means USD;

“**Share**” means each ordinary share of the Share Company or if no ordinary Shares are listed, the preferred share of the Share Company or for the under section 4 (iii) b listed countries ADRs and GDRs of the Share Companies;

“**Share Company**” means each company, which is for the time being included in the Water Stocks Index or in the Reserve Water Universe;

“**Share Value**” means the number of Existing Shares times the Price of such Share;

“**Shortfall Amount**” means an amount equal to the difference between an Increase Share Amount and the Share Value on the Re-Weighting Date following an Increase Event;

“**Substitution Date**” means every Trading Day on which a Substitution Event occurs, subject to a Market Disruption Event. Substitutions will be done with effect from the second following Trading Day.

“**Substitution Event**” means that a Water Stocks Index Component does not comply anymore with all of the WISC except for the 3 Month ADT minimum amount as defined under 4 (ii) d which is considered only as a selection criteria qualifying for entering the Water Stocks Index;

“**Target Number**” means 10 Water Stocks Index Components;

“**Technical Constraints**” means that the Issuer may, but is not obliged to, refuse to include in the Index such Index Components selected following the Index Methodology for notional inclusion in the Index which do not comply with the Methodology or due to Technical Constraints. Technical Constraint means the Issuer’s inability to hedge itself in respect of the Index Component due to either market, compliance, regulatory, reporting or reputational constraints or due to any local regulations which would require it to make a take-over bid, or due to lack of internal approval.

“**Transaction Price**” means the Price at which the relevant asset would notionally have been acquired or disposed of (as appropriate) at the relevant time as such asset is notionally included in or removed from the Index, taking into account any applicable Composition Charges. Where an asset is to be notionally removed from the Index, its Transaction Price shall be on the basis of its disposal and where an asset is notionally to be included, its Transaction Price shall be on the basis of its acquisition; and

“**Trading Day**” means any day that is a trading day on all the Relevant Exchanges for the Water Stocks Index Components other than a day on which trading on any such Relevant Exchange is scheduled to close prior to its regular weekday closing time.

2. General description

The index (“**Water Index**”) is initially equally weighted and tracks 10 companies which derive at least 45% of their revenues from servicing water or activities linked to water such as, inter alia, sanitation, delivery, cleaning, transportation, packaging, storage, pumping and water metering (each a “**Water related Company**” and together “**Water Related Companies**”), including RWE AG, and Suez SA which have been initially included due to their importance of water business each conducts on a global level.

A further selection criteria is such that Water Related Companies have a total market capitalisation of minimum USD 500,000,000 or the equivalent amount in another currency calculated by applying the Exchange Rate.

If a stock is covered by analysts, the percentage of “Buy” and “Hold” Analyst recommendations (ANR) for such a stock shall be at least 50% of total recommendations.

The Water Stocks Index is geographically diversified containing companies listed in the US, UK, France, Germany and Switzerland at the Index Launch Date.

3. Initial Water Stocks Index Composition and Minimum Number of Water Stocks Index Components

On the Index Launch Date the Water Stocks Index will initially comprise the shares (the “Shares”) of the following 10 companies (each a “Share Company” and together “Share Companies”) as selected by the Index Calculator on the Index Launch Date (each a “Water Stocks Index Component” and together the “Water Stocks Index Components”).

BBG	Initial weighting	Name	Market Cap (USD)	% Revenues	% BUY/HOLD
1 VIE FP EQUITY	10%	VEOLIA ENVIRONNEMENT	17,238.93	64.90%	92%
2 KEL LN EQUITY	10%	KELDA GROUP PLC	16,291.86	95.98%	60%
3 PNN LN EQUITY	10%	PENNON GROUP PLC	8,404.27	55.90%	67%
4 NWG LN EQUITY	10%	NORTHUMBRIAN WATER GROUP PLC	7,806.62	48.84%	82%
5 GEBN SW EQUITY	10%	GEBERIT AG-REG	5,055.37	100.00%	90%
6 PNR US EQUITY	10%	PENTAIR INC	3,702.35	68.63%	100%
7 WTR US EQUITY	10%	AQUA AMERICA INC	3,533.01	100.00%	89%
8 IEX US EQUITY	10%	IDEX CORP	2,191.64	55.55%	100%
9 SZE FP EQUITY	10%	SUEZ SA	33,524.50	28%*	80%
10 RWE GR EQUITY	10%	RWE AG	25,473.95	9.65%*	86%

All data as of 22 September 2005, Sources: Bloomberg, Tompson, Standard&Poor's

*RWE AG and Suez SA have been initially selected as index components due to their importance of water business each conducts on a global level.

The Water Stocks Index Components will be initially equally weighted (each Share Company at 10%) in the Water Stocks Index based on the Price of the Water Stocks Index Components on the Index Launch Date.

The Water Stocks Index shall comprise at any time of at least seven Qualifying Share Companies (“Minimum Number of Water Stocks Index Components”) and ceases to exist if there are less than seven Qualifying Share Companies eligible.

4. Water Stocks Index Selection Criteria (“WISC”)

To qualify for inclusion in the Water Stocks Index, a Share Company must meet the following selection criteria, together referred to as the “WISC”:

- (i) The Share Company must be a Water-Related Company which is included in either (i) the Water Stocks Index on the Index Launch Date, or (ii) the Reserve Water Universe;
- and
- (ii) At the date of selection
 - a. the Share Company must have a minimum total market capitalisation of min. USD 500,000,000 or the equivalent amount in another currency calculated by applying the Exchange Rate as published on the respective Bloomberg page <Bloomberg Code Equity DES>;
 - b. if the company is covered by an analyst/analysts, at least 50% of the ANR for the respective Share Company shall be “buy” and/or “hold”.
If a company is not or not yet covered by Analysts it may however qualify for Water Stocks Index membership or for the Water Reserve Universe;
 - c. at least 45% of the Share Company's portion of business must derive from Water or Water related businesses as indicated in the last available quarterly and/or annual report. This percentage will be monitored on every Trading Day using the database of the financial market information provider Thomson

(extel full reports section); Except from this rule are RWE AG and Suez SA due to their importance of water business each conducts on a global level.

- d. the Share Company must show a 3 Month ADT of minimum USD 7,500,000.

If any of the above mentioned data provider pages are not available, the Index Calculator shall take the data from a page replacing the stated page or if no replacement page is available from any other data provider as selected at the reasonable discretion of the Index Calculator;

and

- (iii) a. Only Share Companies listed on official stock exchanges from the following countries qualify for inclusion in the Water Stocks Index:

Australia	
Canada	New Zealand
EU members	Norway
Hong Kong	Singapore
Iceland	Switzerland
Japan	USA

- b. In addition to this rule Share Companies listed on official stock exchanges from the following countries qualify for inclusion in the Water Stocks Index:

Argentina	Morocco
Bahrain	Nigeria
Brazil	Oman
Bulgaria	Pakistan
Chile	Peru
China	Philippines
Colombia	Romania
Croatia	Russia
Egypt	Saudi Arabia
India	Slovakia
Indonesia	South Africa
Israel	Sri Lanka
Jordan	Taiwan
Korea	Thailand
Malaysia	Turkey
Mexico	Venezuela
	Zimbabwe

In this case only the companies' ADRs listed in New York or GDRs listed in London will be considered. Companies listed above without ADRs listed in New York or GDRs listed in London will not qualify as Water Stocks Index Components.

and

- (iv) The inclusion of a New Share into the Water Stocks Index is subject to Technical Constraints.

5. Water Stocks Index Composition and Method of Calculation

The value of the Water Stocks Index (“**Index Value**”) will be calculated and published by the Index Calculator on every Business Day t , subject to a Market Disruption Event, according to the following formula:

$$\text{Index Value}_t = \sum_{i=1}^N (\text{Number of Shares})_{i,t} \times (\text{Price})_{i,t}$$

If, in the determination of the Index Calculator, a Market Disruption Event has occurred on any Business Day, the Index will be calculated and published by the Index Calculator on the first succeeding Business Day, on which the Calculation Agent determines that there is no Market Disruption Event, unless the Index Calculator determines that there is a Market Disruption Event occurring on each of the five Business Days immediately following the original Business Day on which (but for the Market Disruption Event) the Index would have been calculated and published by the Index Calculator. In that case

(regardless of the Market Disruption Event) the Index Calculator shall determine the Price of the Share affected by the Market Disruption and the Index Value having regard to the then prevailing market conditions, the last reported trading price of the respective Water Stocks Index Components and such other factors as the Index Calculator determines to be relevant.

Distributions are reinvested proportionally according to each Shares' weight in the Index. The Water Stocks Index will then be calculated as follows, for all Shares i , , ($i = 1, \dots, N$)

$$\text{Number of Shares}_{i,ex} = \text{Number of Shares}_i \times [1 + D_j * \text{Number of Shares}_j / \text{Index Value}_{ex}]$$

whereby

Number of Shares _{i,ex} = Number of Shares of the i th share following the ex-date;

D_j = Distributions of the j th share net of applicable withholding taxes at a rate adjusted by application of the United Kingdom tax treaty and without reference to tax credits.

Index Value _{ex} = Index Value as defined above, but using the ex-dividend price of the j th Share.

6. Annual Re-weighting of the Water Stocks Index

The Water Stocks Index shall be re-weighted on each Re-weighting Date, subject to a Market Disruption Event. The Existing Shares shall be weighted equally with effect from the Re-weighting Date.

The basis for the re-weighting shall be the Prices of the Shares from Re-weighting Date taking into account the Exchange Rate if not already expressed in the Settlement Currency.

$$(\text{Index Value})_{\text{before rebalance}} = (\text{Index Value})_{\text{after rebalance}}$$

If, in the determination of the Index Calculator, a Market Disruption Event has occurred on any Re-weighting Date, the Re-weighting shall be postponed to the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Index Calculator determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Re-weighting Date. In that case (i) the fifth Trading Day shall be deemed to be the Re-weighting Date (regardless of the Market Disruption Event); and (ii) the Index Calculator shall determine the Price of the Share affected by the Market Disruption and the Index Value having regard to the then prevailing market conditions, the last reported trading price of the respective Water Stocks Index Components and such other factors as the Index Calculator determines to be relevant.

On the Index Launch Date the Initial Water Stocks Index Value will be USD 100.00 ("**Initial Index Value**").

If on an Re-weighting Date following the substitution, if any, the number of Water Stocks Index Components is below the Target Number ("**Increase Event**"), the number of the Water Stocks Index Components maybe increased up to the Target Number according to the WISC.

7. Water Reserve Universe and Selection Criteria

The Water Reserve Universe will comprise Qualifying Share Companies (each a "**Water Reserve Universe Component**" and together the "**Water Reserve Universe Components**") selected out of the Index Calculator's stock database comprising more than 10,000 stocks covering 75 countries.

The Water Reserve Universe contains Qualifying Shares which are not Index Components, ranked after their total market capitalisation in USD or the equivalent amount in another currency calculated by applying the Exchange Rate using the under source 4. (ii) mentioned data provider and data provider pages. The Water Reserve Universe Component with the

highest total market capitalisation in USD or the equivalent amount in another currency calculated by applying the Exchange Rate is ranked No. 1.

8. Water Stocks Index Component Substitution

The Index Calculator will determine if all Water Stocks Index Components still qualify as Qualified Share Companies on every Trading Day. If a Substitution Event occurs, the affected Water Stocks Index Component shall be substituted by a Water Reserve Universe Component on the Substitution Date, subject to a Market Disruption Event.

The Index Calculator shall substitute for such relevant outgoing Share a New Share with effect from the Substitution Date according to the following:

- (i) The next eligible Qualifying Share of the Water Reserve Universe in the order of the highest total market capitalisation in USD with a minimum of USD 500,000,000 or the equivalent amount in another currency calculated by applying the Exchange Rate on the relevant Substitution Date shall substitute the removed Share;
- (ii) If no Qualifying Share exists the Index Component value of such outgoing Share will be notionally invested pro rata in the remaining Index Components.
- (iii) Shares removed from the Water Stocks Index shall be included in the Reserve Water Universe;

The basis for the substitution shall be the respective Transaction Prices of the Trading Day preceding the relevant Substitution Date.

If, in the determination of the Index Calculator, a Market Disruption Event has occurred on any Substitution Date, the Substitution shall be postponed to the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Index Calculator determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Re-Substitution Date. In that case (i) the fifth Trading Day shall be deemed to be the Substitution Date (regardless of the Market Disruption Event); and (ii) the Index Calculator shall determine the Price of the Share affected by the Market Disruption and the Index Value having regard to the then prevailing market conditions, the last reported trading price of the respective Water Stocks Index Components and such other factors as the Index Calculator determines to be relevant.

9. Increase of the Number of Water Stocks Index Components

If, on an Re-weighting Date, the number of Qualifying Share Companies in the Water Reserve Universe exceeds the number of Share Companies to be notionally removed from the Water Stocks Index according to the WISC ("**Increase Event**"), the number of Water Stocks Index Components may be increased up to a limit of 10 by including the next eligible Qualifying Share Companies being comprised in the Reserve Water Universe. Hereby the following applies:

- (i) The Increase Share Amount will be invested in each New Share to be included in the Water Stocks Index;
- (ii) For those Existing Shares whose Share Value exceeds the respective Increase Share Amount its Share Value shall be decreased by the respective Excess Amount;
- (iii) For those Existing Shares whose Share Value is less than the respective Increase Share Amount its Share Value shall be increased by the respective Shortfall Amount.

10. Publication of the Water Stocks Index

The daily prices of the Water Stocks Index will be published on Bloomberg page [ABNZWATI] and on Reuters page [ABNWATER].