



**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](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](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](http://www.investors.rbs.com/RBS_NV).

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**FINAL TERMS**

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**DATED 30 NOVEMBER 2006**



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500,000 OPEN END CERTIFICATES ON THE ABN AMRO SILVER MINING (TR) INDEX

“ABN AMRO SILVER MINING CERTIFICAAT”

INDICATIVE ISSUE PRICE: EUR 10.15

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## FINAL TERMS

*Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions and the Product Conditions applicable to each Series of Certificates described herein (the “relevant Product Conditions”) as set forth in the Base Prospectus relating to Certificates dated 1 July 2006 (the “Base Prospectus”) as supplemented from time to time which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of each Series of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus as so supplemented. Full information on the Issuer and each Series of the Certificates described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus as so supplemented is available for viewing at the registered office of the Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and copies may be obtained from the Issuer at that address.*

*These Final Terms relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the relevant Product Conditions contained in the Base Prospectus as so supplemented. These Final Terms, the relevant Product Conditions and the General Conditions together constitute the Conditions of each Series of the Certificates described herein and will be attached to the Global Security representing each such Series of the Certificates. In the event of any inconsistency between these Final Terms and the General Conditions or the relevant Product Conditions, these Final Terms will govern.*

*The Netherlands Authority for the Financial Markets has provided the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Financial Market Authority (FMA), Commission Bancaire, Financiere et des Assurances (CBFA), Comisión Nacional del Mercado de Valores (CNMV), Comissão do Mercado de Valores Mobiliários (CMVM), Autorité des Marchés Financiers (AMF), Irish Financial Services Regulatory Authority (IFSRA), Commissione Nazionale per le Società e la Borsa (CONSOB), Commission de Surveillance du Secteur Financier (CSSF), Financial Services Authority (FSA), the Finnish Supervision Authority, the Danish Financial Services Authority (Finanstilsynet) and the Swedish Financial Supervisory Authority with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.*

*So far as the Issuer is aware, no person (other than the Issuer in its separate capacities as Issuer and Calculation Agent, see “Risk Factors – Actions taken by the Calculation Agent may affect the Underlying” in the Base Prospectus) involved in the issue of the Certificates has an interest material to the offer.*

Issuer: ABN AMRO Bank N.V., acting through its principal office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands or its London branch at 250 Bishopsgate, London EC2M 4AA

Clearing Agents: Centraal Instituut voor Giraal Effectenverkeer B.V. (Euroclear Netherlands)  
Euroclear Bank S.A./N.V. as operator of the Euroclear system  
Clearstream Banking, société anonyme

Launch Date: 4 December 2006

Issue Date: 7 December 2006

Listing: Eurolist by Euronext Amsterdam N.V.

Listing Date: 7 December 2006

Pricing Date: 1 December 2006

Admission to trading: Application will be made for the Securities to be admitted to trading on Euronext Amsterdam N.V. with effect from 4 December 2006

Announcements to Holders: Delivered to Clearing Agents

Principal Agent: ABN AMRO Bank N.V., 250 Bishopsgate, London EC2M 4AA

Registrar: None

Agent(s): ABN AMRO Bank N.V. MF 2020 Kemelstede 2, P.O. Box 3200, 4800 DE Breda, The Netherlands

Calculation Agent: ABN AMRO Bank N.V., 250 Bishopsgate, London EC2M 4AA

Indication of yield: Not Applicable

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## INDEX OPEN END CERTIFICATES

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Series: *Open End Certificates on the ABN AMRO Silver Mining (TR) Index “ABN AMRO Silver Mining Certificaat”*

Issue Price: EUR 10.15 (indicative)

Additional Market Disruption Events: The events listed below shall also be deemed to be a Market Disruption Event, including but not limited to the following:

- (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on the Valuation Date or the Issuer Call Date in the inter-bank market; or
- (iii) **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
- (iv) **Inconvertibility/non-transferability.** The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant 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
- (v) **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 Relevant Currency; or
- (vi) **Illiquidity.** It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) **Change in Law.** A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) **Imposition of Tax/Levy.** The imposition of any tax and/or levy with

punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or

(ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency; or

(x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

For this purpose a “**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate.

Where:

“**Relevant Currency**” means the lawful Currency of Mexico, from time to time; and

“**Relevant Currency Exchange Rate**” means the rate of exchange between the Relevant Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

Business Day:

As stated in Product Condition 1

Cash Amount: The Cash Amount on the Issue Date is EUR 10 and thereafter the Cash Amount is calculated on a daily basis according to the following formula:

$$CA_t = I_t \times \frac{CA_{t-1}}{I_{t-1}} \times \frac{FX_t}{FX_{t-1}} \times (1 - [F \times DCF(t-1, t)])$$

Where:

“CA<sub>t</sub>” = Cash Amount on Trading Day t

“CA<sub>t-1</sub>” = Cash Amount on the immediately preceding Trading Day (t-1)

“I<sub>t</sub>” = Final Reference Price on Trading Day (t) or, if there has been a Market Disruption Event on such day, the level as determined as if such Trading Day was a Valuation Date

“I<sub>t-1</sub>” = Final Reference Price on the immediately preceding Trading Day (t-1) or, if there has been a Market Disruption Event on such day, the level as determined as if such Trading Day was a Valuation Date

“FX<sub>t</sub>” = Exchange Rate on Trading Day t

“FX<sub>t-1</sub>” = Exchange Rate on the immediately preceding Trading Day (t-1)

“F” = Index Fee

“DCF<sub>t-1, t</sub>” = The number of calendar days from (but excluding) Trading Day (t-1) to and (including) Trading Day t, divided by 360

The Cash Amount payable in respect of an Exercise or Issuer Call shall be calculated on the Valuation Date or Issuer Call Date respectively

Dividends:	Not Applicable
Entitlement:	Not Applicable
Exercise Date:	The third Business Day preceding a scheduled Valuation Date, as provided in Product Condition 3
Exercise Time:	10.00am Central European Time
Final Reference Price:	An amount (which shall be deemed to be a monetary value in the Underlying Currency) equal to the level of the Index at the Valuation Time on a Trading Day, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the level of the Index on such date having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent determines relevant
Index:	ABN AMRO Silver Mining (TR) Index (Bloomberg Code: ABNZSILV <INDEX>) as more particularly described in the Appendix attached hereto

Index Fee:	The per annum percentage rate as determined by the Calculation Agent in its sole discretion on the last Business Day of each calendar quarter commencing March 2007, subject to a maximum of 2% per annum. The initial Index Fee will be 1% per annum
Initial Reference Price:	Not Applicable
Issuer Call Commencement Date:	(i) Three months after the Issue Date or (ii) in the event that the total number of shares comprised in the Index is less than seven, the first Business Day immediately following the Issue Date
Issuer Call Notice Period:	(i) Three months or (ii) in the event that the total number of shares comprised in the Index is less than seven, immediately upon notice of termination of the Securities
Maximum Maintenance Fee:	Not Applicable
Pricing Date(s):	1 December 2006
Relevant Number of Trading Days:	For the purposes of : Issuer Call Date: 180 Valuation Date: 180
Settlement Currency:	EUR
Settlement Date:	The fifth Business Day following the Valuation Date or the Issuer Call Date, as the case may be
Trading Day:	As stated in Product Condition 1
Underlying Currency:	USD
Valuation Date(s):	The last Trading Day of March in each year, commencing from (and including) March 2008
Amendments to General Conditions and/or Product Conditions:	Not Applicable
ISIN:	NL0000293116
Common Code:	Not Applicable
Fondscod:	29311
WKN:	Not Applicable
Other Securities Code:	Not Applicable
Other Provisions:	Not Applicable

#### **INFORMATION ON THE UNDERLYING**

Page where information about the past and future performance of the Underlying and its volatility can be obtained: Bloomberg Page: ABNZSILV<INDEX>

**Index Disclaimer:** ABN AMRO has developed and is responsible for the methodology that is employed in connection with the ABN AMRO Silver Mining (TR) 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. ABN AMRO has developed, maintained and is the sole party responsible for the methodology that is employed in connection with the ABN AMRO Silver Mining (TR) Index.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

## Appendix – Silver Mining TR Index Description

### 1. Definitions

“**ADT 3M**” means the average daily value traded of a Share Company; the ADT 3M is calculated on the basis of the last 3 months in USD or the equivalent amount in another currency calculated by applying the Exchange Rate. The ADT 3M is provided by Bloomberg using the <AVG\_DAILY\_VALUE\_TRADED\_3M> function or an equivalent;

“**Authorised Assets**” means any Share, ADR or GDR, which in any circumstances is related to companies that are primarily involved in silver mining, as determined in the reasonable discretion of the Index Calculator and which is traded in an Authorised Country;

“**Authorised Country**” means Australia, Canada, EU member states, United States, USA and Great Britain for the purposes of selecting ADRs listed and traded in New York, and GDRs in London, respectively of such companies headquartered in the following countries: Mexico, Peru. With respect to Mexico, if no ADR/GDR is available or is complying with the Selection Criteria in section 4, then Shares listed on official stock exchanges where such Shares have their primary listing or are mainly traded;

“**Business Day**” means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and New York;

“**De-listing Event**” means an Index Component for any reason ceases to be listed or is suspended from listing on the Relevant Exchange (and such cessation or suspension is continuing and such Index Component is not subsequently listed or quoted on another stock exchange or quotation system which is regulated and/or supervised by an official financial and/or governmental authority);

“**De-listing Date**” means every Trading Day on which a De-listing Event occurs, subject to a Market Disruption Event;

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

“**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;

“**Index**” means the ABN AMRO Silver Mining TR Index;

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

“**Index Component**” means any Share notionally comprised in the Index;

“**Index Launch Date**” means 10 October 2006;

“**Market Disruption Event**” means

- The occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on the Relevant Exchange of any suspension of or limitation imposed on trading or the disruption or impairment in the ability of market participants in general to effect transactions in (by reason of movements in price reaching or exceeding limits permitted by the

Relevant Exchange or otherwise) the shares on the Relevant Exchange or any other exchange on which the shares are listed, if, in the determination of the Calculation Agent, such suspension or limitation is material; or

- 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 Underlying Currency or (B) generally makes it impossible to deliver the Underlying Currency from accounts in the country of the principal financial centre of the Underlying 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 ABN AMRO (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Underlying Currency; or
- Illiquidity. It is impossible to obtain a firm quote for the Exchange Rate for an amount which ABN AMRO 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; or
- The unavailability of the Settlement Currency in the country of the principal financial centre of the Underlying Currency; or
- Bankruptcy. The Share Company files for liquidation and the Shares cease to trade or are delisted;

**“Minimum Number of Index Components”** means 7 Shares;

“**Number of Shares i**” means in relation to each Share **i**:

(A) on the Index Launch Date:

$$\text{Weight } i \times \frac{\text{Initial Index Value}}{\text{Price } i}$$

(B) on each Re-weighting Date:

$$\text{Weight } i \times \frac{\text{Index Value before rebalance}}{\text{Price } i}$$

(C) on each De-listing Date or Removal Date:

For all Shares **i** in the Index:

**Number of Shares *i,new*** =

$$\text{Number of Shares}_{i,old} + \frac{\sum_{j_{old} \in \mathbb{R}} (\text{Number of Shares})_{j_{old} \in \mathbb{R}} \times (\text{Price})_{j_{old}}}{(\text{Price})_i} \times \text{Weight } i$$

Whereby

**R** = Set of those subscripts **j\_old** ∈ {**1, ..., N**} which denote Shares being dropped from the Index on the De-listing Date or Removal Date;

“**Price**” means in respect of each Share the last traded price on the Relevant Exchange on the respective Trading Day (if not expressed in the Settlement Currency, converted into the Settlement Currency using the Exchange Rate);

“**Qualifying Share**” means any security which complies with the Selection Criteria (see below section 4) and “**Qualifying Shares**” shall be construed accordingly;

“**Qualifying Share Company**” means each company which is the issuer of a Qualifying Share (together, the “**Qualifying Share Companies**”);

“**Regulated Market**” means any exchange or quotation system which is regulated and/or supervised by an official financial and/or governmental authority;

“**Relevant Exchange**” means for any Share such exchange or quotation system on which such Share has its primary listing or is mainly traded;

“**Removal Date**” means any Trading Day on which a Removal Event occurs, subject to a Market Disruption Event;

“**Removal Event**” means that a Share does not comply anymore with any of the Selection Criteria (see below section 4), except for fulfilling the Minimum Market Capitalisation and Minimum Liquidity requirements as defined under section 4 (iii) because those requirements are relevant on the date of selection only;

“**Re-weighting Date**” means

10 October and 10 April of each year from and including 10 October 2006. If such day is not a Trading Day, the following Trading Day, subject to a Market Disruption Event;

“**Settlement Currency**” means USD;

“**Share**” means each listed ordinary share of the Share Company or if no ordinary shares are listed, the preferred share of the Share Company or ADR and GDR of such Share Company, which is included for the time being in the Index and “**Shares**” shall be construed accordingly;

“**Share Company**” means a company which is the issuer of a Share, and “**Share Companies**” being construed accordingly;

“**Target Number**” means 12 shares;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Relevant Exchange other than a day on which trading on such Relevant Exchange is scheduled to close prior to its regular weekday closing time;

“**Underlying Currency**” means the currency in which the Share is denominated;

“**Weight i**” means for each Share **i**, based on market capitalisation and subject to a maximum of 15% on each Re-weighting Date (weights in excess of 15% are redistributed pro rata among the other Shares):

$$\text{Weight } i = \frac{\text{Market Capitalisation } i}{\sum_{\text{Index Components}} \text{Market Capitalisations}}$$

## 2. General Description

The ABN AMRO Silver Mining TR Index (the “**Index**”) is a modified market capitalisation weighted index, and is designed to reflect the performance of the market in the shares of companies that are primarily involved in silver mining (each such company a “**Silver Related Company**” and together referred to as the “**Silver Related Companies**”), as determined in the reasonable discretion of the Index Calculator. Only companies which derive at least 30% of their revenue from silver-related business are included in the Index. Only ordinary shares or depository receipts (being GDRs listed in London or ADRs listed in New York) of such Silver Related Company are eligible for inclusion in the Index.

The Index Calculator will make determinations as regards the shares which are eligible for inclusion within the Index and will determine the quantity of such shares to be included. In addition, on the basis of the formula for and method of calculating the Index (see section 5 below), the Index Calculator will calculate and publish the level of the Index once a day on a daily basis.

The Index Components will initially be market capitalisation weighted based, but may then be a modified capitalisation weighted index should the weights of the Index Components exceed 15% on any Re-weighting Date. The weight of a company in the Index is capped at 15% of the index’s

market capitalisation, and weights in excess of 15% are redistributed pro rata among the other Index Components.

The Index shall comprise at any time of at least 7 Qualifying Share Companies (“**Minimum Number of Index Components**”) and ceases to exist if there are less than 7 Qualifying Share Companies.

### 3. Initial Index Composition and Minimum Number of Index Components

The Index will initially comprise the Shares of the following 10 companies selected by the Index Calculator from Qualifying Shares on the Index Launch Date (each an “**Index Component**” and together the “**Index Components**”).

On the Index Launch Date the value of the Index will be USD 100 (“**Initial Index Value**”) and will be composed of the following Shares:

**Table 1 – Composition of the Index as at the Index Launch Date**

Relevant Exchange	Share	Share Company	Bloomberg	Market Capitalisation (USD mln)	Initial Weight
New York	ADR	Cia de Minas Buenaventura SA	BVN US Equity	3,444	15.000%
Mexico	Common Stock	Industrias Penoles SA de CV	PE&OLES* MM Equity	3,060	15.000%
New York	Common Stock	Silver Wheaton Corp	SLW US Equity	1,968	15.000%
NASDAQ GS	Common Stock	PAN American Silver Corp	PAAS US Equity	1,434	12.308%
NASDAQ GM	Common Stock	Silver Standard Resources Inc	SSRI US Equity	1,279	10.985%
New York	Common Stock	Coeur d'Alene Mines Corp	CDE US Equity	1,250	10.731%
American	Common Stock	Apex Silver Mines Ltd	SIL US Equity	847	7.272%
New York	Common Stock	Hecla Mining Co	HL US Equity	622	5.344%
Toronto	Common Stock	Silvercorp Metals Inc	SVM CN Equity	500	4.296%
Venture	Common Stock	ECU Silver Mining Inc	ECU CN Equity	473	4.063%

*All data as of 11 October 2006 , Sources: Bloomberg*

### 4. Index Selection Criteria and Selection Procedure

To qualify for inclusion in the Index, each Share must meet the following selection criteria, together referred to as the “**Selection Criteria**”:

- (i) The Share, ADR or GDR must qualify as an Authorised Asset; and
- (ii) The Share must be listed or traded on a Regulated Market; and
- (iii) At the date of selection only:

- a. The Share Company which is the issuer of a Share must have a market capitalisation strictly greater than USD 350,000,000 (or the equivalent amount in another currency calculated by applying the Exchange Rate) as published on the respective Bloomberg page <Bloomberg Code Equity DES> (“**Minimum Market Capitalisation**”); and
- b. The Share must have an ADT 3M strictly greater than USD 1,000,000 (“**Minimum Liquidity**”); and
- c. The Share Company must derive at least 30% of their revenue from silver-related business.

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.

A list shall be compiled of companies that satisfy the above Selection Criteria (such companies, the “**Qualifying Share Companies**” and such list, the “**Selection List**”), and the shares of such companies shall be Qualifying Shares. The number of Qualifying Share Companies on the Selection List must at least be equal to or greater than the Minimum Number of Index Components. The Index Components are selected in accordance with the following selection procedure (“**Selection Procedure**”):

- (i) If a Qualifying Share Company has issued several classes of shares, the Index Calculator shall take the share class which best represents the Qualifying Share Company, and complying with all of the Selection Criteria.
- (ii) The Qualifying Share Companies on the Selection List are ranked in descending order by their market capitalisation in USD (or the equivalent amount in another currency calculated by applying the Exchange Rate) as published on Bloomberg. The Qualifying Share Company with the highest market capitalisation is listed first with a rank equal to 1.
- (iii) The top **12** Qualifying Share Companies using the above ranking are included in the Index, and the respective Weights of each Index Components is calculated in accordance with the definition of “Weight i” in section 1.

<b>5. Index Calculation and Re-investment Policy of Distributions</b>
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The value of the Index (“**Index Value**”) will be calculated and published once a day by the Index Calculator on every Business Day  $t$ , subject to a Market Disruption Event on the under section 9 mentioned Reuters and/or Bloomberg reference page according to the following formula:

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

Distributions are reinvested proportionally according to each Share’s weight in the Index. The 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

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

<b>D<sub>j</sub></b>	= Distributions of the jth share net of applicable withholding taxes at a rate adjusted by application of the United Kingdom tax treaty and without reference to tax credits;
<b>Index Value<sub>ex</sub></b>	= Index Value as defined above, but using the ex-dividend price of the jth Share.

## **6. RE-WEIGHTING OF THE INDEX**

Following the initial composition of the Index on the Index Launch Date, the Index Calculator shall make periodic changes to the Index as it deems appropriate in its reasonable discretion to the notional composition of the Index Components and/or the Weights of Index Components (each such procedure a "**Re-weighting**") on any Trading Day (each such date a "**Re-weighting Date**"), subject to the compliance of the selected Index Component with the Selection Criteria as set out in section 4. The Index Components shall be re-weighted with effect from the Re-weighting Date, subject to a Market Disruption Event.

In the event the new weights (based on market capitalisation of the newly selected stocks as described in section 4) exceed 15% on any Re-weighting Date, then weights in excess of 15% are redistributed pro rata among the other Index Components. The Index will then be a modified market capitalisation weighted Index.

The basis for the re-weighting shall be the Prices of the Shares from the Re-weighting Date.

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

If on any Trading Day during the period from (and including) the preceding Re-weighting Date to (but excluding) the current Re-weighting Date a De-listing Event or Removal Event has occurred and the number of Index Components is below the Target Number, the number of the Index Components may be increased up to the Target Number of Components on the current Re-weighting Date according to the Selection Procedure.

In the event that a Market Disruption Event has occurred in relation to any actual or prospective Index Component on any Re-weighting Date, then such actual or prospective Index Component shall not be so included or removed, as the case may be, in the relevant Re-weighting.

## **7. Index Component De-listing and Removal**

The Index Calculator will determine on every Trading Day whether or not with respect to each Index Component a De-listing Event or Removal Event occurs. If a De-listing or Removal Event occurs, the Index Calculator shall notionally invest the value of the affected Index Component with effect from the De-listing Date or Removal Date according to the following:

- (i) Substitute by the next eligible Qualifying Share, which is not already an Index Component and is ranked highest in terms of market capitalisation; or otherwise
- (ii) Invest pro rata in the remaining Index Components if no Qualifying Share exists, which is not already an Index Component.

The basis for the substitution shall be the respective Prices of the Trading Day preceding the relevant De-listing Date or Removal Date.

## **8. Publication of the Index**

The daily prices of the Index will be published once a day by the Index Calculator on each Business Day on Bloomberg page ABNZSILV and on Reuters page .ABNZSILV.

## **9. Market Disruption Pertaining to Index Calculation or Re-weighting**

If, in the determination of the Index Calculator, a Market Disruption Event has occurred on any Business Day, the Index Value will be calculated and published by the Index Calculator on the first succeeding Business Day, on which the Index Calculator 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 5 Business Days immediately following the original Business Day on which (but for the Market Disruption Event) the Index Value 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 Event and the Index Value having regard to the then prevailing market conditions, the last reported trading price of the respective Shares and such other factors as the Index Calculator determines to be relevant.

**If, in the determination of the Index Calculator, a Market Disruption Event has occurred on any Re-weighting Date or a De-listing Date, the Re-weighting or removal shall be postponed to the first succeeding Trading Day on which the Index Calculator 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 5 Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Re-weighting Date or Removal Date. In that case (i) the fifth Trading Day shall be deemed to be the Re-weighting Date or Removal 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 Index Components and such other factors as the Index Calculator determines to be relevant.**