SGI-Orbeo Carbon Credit Index

Index Rules Summary

Version as of 28/02/2008

SG and Orbeo on the Carbon Market

Société Générale began trading CO2 in early 2005 and has been a leading commodities market participant for 17 years.

Operating globally and headquartered in Paris, Orbeo is a pioneering joint-venture between Rhodia, a worldwide leader in chemical industry and Société Génerale, one of the largest financial services groups in the euro-zone. Orbeo is the first such venture to combine industrial and financial expertise in the field of carbon markets.
Its market positions and state of the art market intelligence enable Orbeo to devise informed price forecasts and corresponding trading strategies for all classes of investors and carbon stakeholders.

Together SG and Orbeo decided to launch the SGI-Orbeo Carbon Credit Index.

1. Index Summary Description:

Index description
The SGI-Orbeo Carbon Credit Index (the "**Index**") tracks the performance of carbon credits issued in the major trading schemes put in place to regulate greenhouse gases emissions.
The Index tries to capture the daily performance of carbon credit prices traded in exchanges.

The Index is calculated and published on every Scheduled Calculation Date by Standard & Poor's, a division of the McGraw-Hill Companies, Inc.

Underlying Indexes
The Index tracks the performance of two future contracts, one for EUAs and one for CERs:

- The underlying index used for EUAs is the daily settlement price of the ECX[1] CFI Futures. The Settlement Price is calculated as a volume-weighted average of trades during the daily settlement period 16:00 - 16:15 hours UK local time and will be published at approximately 16:30 UK local time. (Bloomberg ticker: MOZ8 <Comdty>)
- The underlying index used for CERs is the daily settlement price of the ICE ECX[1] CER Futures. The Settlement Price is calculated as a volume-weighted average of trades during the daily settlement period 16:00 - 16:15 hours UK local time and will be published at approximately 16:30 UK local time. (Bloomberg ticker: CARZ8 <Comdty>)

These two underlying indices are the most transparent indices available on the markets providing the highest liquidity to investors.
Should new indexes be published on the market providing more transparent information or offering more liquidity, the Review Committee can decide to use these new underlying indices to replace the ones mentioned above. Likewise the Review Committee may include a new underlying in order to best replicate the performance of carbon credit prices. In both cases any changes to the Index composition will be verified and published by the Index Calculation Agent.

Weighting Factors
The weight of the underlying indexes is initially set as follows:

- 50% ECX CFI Futures for EUAs
- 50% ICE ECX CER Futures for CERs

This heavy share of CERs compared to the import limits of CERs into the EU ETS (13.7% on average) is intended to capture benefit from the present undervaluation of CERs relative to EUAs. The quarterly review committee will have the possibility to change this repartition with

[1] European Climate Exchange®

the objective to outperform carbon indices which would be based solely on EUAs or weighted according to the import limit of CERs into the EU ETS.

Reweighing

The reweighing of the index will happen once a month at the end of the 6th Calculation Date (the “**Reweighing Date**”) in order to ensure the index composition follows the initial 50% EUAs & 50% CERs repartition. A new repartition may be decided by the Review Committee at any moment and implemented on the next Reweighing Date. Any changes to the Index composition will be published by the Index Calculation Agent on its website.

Rolls

Rolls are used so that the Index can replicate the price of future contracts over the years. Hence, in November of year N, the future contracts that are to expire in year N will gradually be rolled out of the index and replaced by future contracts that are to expire in Year N+1.
The rollover methodology assumes a constant Euro investment and rolls a proportionally equal amount of the active contract to the deferred year contract at the end of each roll day.

Rolls start the 1st Calculation Date of November (the “**Roll Date**”) and end 4 Calculation Dates after the Roll Date.