

Fortis N.V.

Explanatory Note to the agenda of the Annual General Meeting of Shareholders

This memorandum provides further details regarding the items identified on the agenda of the 2004 annual general meeting of shareholders of Fortis N.V.

Agenda item 2: Annual Reports and Accounts, Dividend and Discharge

The Fortis Annual Report 2003, including the Annual Accounts 2003, is available for the shareholders at the following locations:

- the office of the company: Archimedeslaan 6, Utrecht;
- Fortis Bank (Nederland) N.V., Rokin 55, Amsterdam; and
- Fortis Bank SA/NV, Warandeberg 3, Brussels.

A copy of the Fortis Annual Report 2003 and the Annual Accounts can also be found on Fortis' website (www.fortis.com).

Agenda item 3: Corporate Governance

Comments and discussion of Fortis' governance in the light of:

- the Dutch Corporate Governance Code (the "Tabaksblat Code") as published by the Corporate Governance Committee on December 9, 2003;
- the current and anticipated Belgian Corporate Governance Codes; and
- the new Fortis Articles of Association (*please refer to agenda item 6*).

Changes in Fortis' governance, that would result from the review process aimed at implementing the Dutch and Belgian codes, will be submitted to the shareholders during the annual General Shareholders Meetings to be held in 2005.

Agenda item 4: Appointments of members of the Board of Directors

- Item 4.a: Re-appointments

- Mr Jaap Glasz has informed the Board that, due to health problems limiting his availability, he wished to put an end to his mandate, at the closure of the meetings of shareholders of 26 May 2004. Honouring Mr J. Glasz's wish, the Board, consequently, will not propose his reappointment at the Shareholders' Meeting. The members of the Board expressed their profound gratitude to Mr J. Glasz. During his co-chairmanship with Mr Maurice Lippens, Fortis benefited from his extensive experience in Boards' leadership. Mr J. Glasz played a leading role in the process that led to the strengthening of the international composition of the Fortis Board of Directors.
- Mr Anton van Rossum whose re-appointment is proposed for a new term of three years, is the only director having a permanent management function within the company, or in general within the Fortis group. Mr A. van Rossum has the title of Chief Executive Officer (CEO).

- The Fortis Annual Review 2003 (page 66) gives further information with regard to the members of the board of directors that are proposed to be re-appointed. The proposed terms of re-appointment ensure compliance with the recommendation expressed by the Tabaksblat Code (i.e. 4 year maximum).

- Item 4.b: New appointments

The Board of Directors propose to the general meeting to appoint five new members (Curriculum Vitae hereunder) who will bring to Fortis their strong knowledge of the financial services business on a global scale, sound international operational experience, and expertise in financial, accounting, audit and management matters.

The proposed terms of appointment ensure compliance with the recommendation expressed by the Tabaksblat Code (i.e. 4 year maximum).

- **Baron Philippe Bodson** (60) is of Belgian nationality. He is civil engineer in metallurgy from the University of Liège.

After three years with McKinsey in Paris and four years with Daus Bank, first in Germany, then in the USA, he joined Glaverbel in 1977 to become its CEO in 1980 until 1989.

Between 1989 and 1999 he was CEO of Tractebel.

During the same period he was member of the Board of Directors of Fortis, participating in its foundation and actively contributing to its development.

From 1999 to 2003, Mr.Ph. Bodson was Senator in Belgium.

He is director of the Belgian listed companies Exmar and Immobil.

- **Mr Richard Delbridge** (61) is of British nationality. He graduated from the London School of Economics and has an MBA from the University of California at Berkeley.

From 1963 to 1976, he was with Arthur Andersen, where he became Partner in 1974.

In 1976, he joined JP Morgan as Vice President, responsible for international operations and systems based in London. In 1980, he was appointed Senior Vice President and Comptroller of JP Morgan and Co and Morgan Guaranty Trust Co and was based in New York. In 1985 he returned to the United Kingdom, first as a Deputy General Manager UK and then as Managing Director and General Manager UK.

In 1989, he joined Midland Bank PLC as CFO and Main Board Director. After the acquisition in 1992 of Midland Bank PLC by HSBC, he became Group Finance Director of HSBC Holdings PLC, a position he retained until the end of 1995.

In 1996 he became CFO and a Director of National Westminster Bank PLC, and held this role until the sale of Natwest to Royal Bank of Scotland in 2000.

Since then Mr R. Delbridge has focused on his career as a Non-Executive Director. He is currently Non Executive Director on the Boards of Tate & Lyle PLC, Cazenove PLC, Gallaher Group PLC and Balfour Beatty PLC.

- **Mr Jacques Manardo** (57) is of French nationality. He holds a Masters' degree in Private Law and is a Chartered Accountant.

From 1968 to 1981, he was an Auditor with Coopers Brothers, then Coopers & Lybrand, of which he became Partner in 1972. In 1981, he was co-founder of the French Audit and Consulting Firm, associated with Touche Ross, which merged in 1989 with Deloitte to form Deloitte & Touche.

Mr J. Manardo was CEO of the French firm from 1981 (200 people in 1981), and then of the Franco-Spanish firm until 2000 (5,000 people). Within Deloitte & Touche, he was, from 1985 to 1997, Chairman of the European region, from 1998 to 2000, Global Managing Partner Strategic Clients, and from 1984 to 2001 Member of the Worldwide Executive Committee.

He has been also Chairman of the Big 6 European "Contact Group" and Member of the International Accounting Standards Committee (IASC), "Strategy Working Party".

After leaving Deloitte & Touche in 2001, he was retained by the same firm as Advisor for worldwide missions, following the disintegration of Andersen and the spin off of non audit businesses of Deloitte & Touche.

In 2002 he founded the GEM Group, a holding company, which he chairs and which consists of a number of start up companies with different service offerings.

A Chevalier de la Légion d'Honneur, Mr J. Manardo is Chairman of INEUM Consulting, has served as a Board member of the IMD School in Lausanne and of the World Business Council for Sustainable Development in Geneva.

- **Mr Ronald Sandler** (52) is of German nationality. He has an MA in engineering from Cambridge University and an MBA from Stanford University (USA).

He started his professional career in 1976 in management consultancy with The Boston Consulting Group, initially in London and subsequently in California. In 1984, he was appointed Managing Director UK of Booz Allen & Hamilton. He subsequently became Chief Executive of Exco PLC, leading the flotation of this company on the London Stock Exchange in 1994.

He was Chief Executive of Lloyd's of London from 1995 until 1999, playing a key role in Lloyd's reconstruction.

In 1999 and 2000, he was Executive Director and Chief Operating Officer of National Westminster Bank.

In 2001, he was appointed by the British government to conduct a review of the UK long-term savings industry. His report was published in 2002.

Mr R. Sandler is a member of the Financial Capability Steering Group of the FSA, and Deputy-President of the Institute of Financial Services. He is Chairman of Computacenter PLC and of Kyte Group, and a member of the Partnership Council of lawyers Herbert Smith.

- **Mr Rana Talwar** (56) an Indian national, is based in London. He graduated in Economics, History and Psychology from Delhi University.

From 1969 until 1997 he worked with Citibank. From 1969 until 1977 in India, then in Saudi Arabia and Hong Kong and from 1988 in Singapore, as Division Head Asia Pacific.

In 1991, he became Executive Vice-President Asia Pacific and Middle East and Member of Citicorp/Citibank Policy Committee.

From 1995 until 1997 he was Executive Vice President, North America and Europe, based in Brussels and Chicago.

Mr R. Talwar left Citibank in 1997 to become Group Executive Director of Standard Chartered PLC, London, of which he became Group Chief Executive from 1998 until 2001.

In 2002, Mr R. Talwar set up Sabre Capital Worldwide, a private equity business, aiming at the acquisition of financial institutions, with a focus on emerging markets.

He is also non-executive director of Pearson PLC and governor of the London Business School and of the Indian School of Business.

Agenda item 5: Acquisition of Fortis Units

It is proposed:

to authorise the Board of Directors for a period of 18 months to acquire Fortis Units, in which own fully paid twinned shares of Fortis N.V. are included, to the maximum number permitted by article 2:98 paragraph 2 of the Civil Code and this:

- a. through all agreements, including transactions on the stock exchange and private transactions at a price equal to the average of the closing prices of the Fortis Unit on Euronext Brussels and Euronext Amsterdam on the day immediately preceding the acquisition, plus a maximum of fifteen percent (15%) or less a maximum of fifteen percent (15%); or
- b. by means of stock lending agreements under terms and conditions that comply with common market practice for the number of Fortis Units from time to time to be borrowed by Fortis N.V.

Agenda item 6: Amendments to the articles of association

The full text of the proposal to amend the articles of association, as well as an “Explanatory note on the proposed amendments to the articles of association”, explaining the objective of the amendments and highlighting the most important changes, are at the disposal of the shareholders.