

Explanatory note



Explanatory note to the Agenda of the Ordinary and the Extraordinary General Meeting of Shareholders of Fortis SA/NV on 31 May 2006

Agenda item 2.2.: Dividend

2.2.1 Comments on the dividend policy

Further to the implementation by Fortis at the beginning of 2005 of the International Financial Reporting Standards (IFRS), and its potential impact on volatility of the group's consolidated results, Fortis informed in May 2005 the shareholders' meetings and more generally the market of its revised dividend policy: Fortis aims to pay, on an annual basis, a stable growing dividend, taking into account not only current profitability and solvency but also the prospects of the company. The dividend is paid in cash. Moreover an interim dividend is paid in September. The interim dividend will in normal circumstances amount to 50% of the annual dividend over the preceding financial year. This policy confirms the importance that Fortis attaches to creating value for its shareholders.

In accordance with the above policy defined in 2005, Fortis proposes a gross dividend of EUR 1.16 for 2005 against EUR 1.04 for 2004. Taking into account the interim dividend of EUR 0.52 paid to the shareholders in September 2005, the proposed gross final dividend payable to the shareholders amounts to EUR 0.64 per share.

Agenda item 3: Corporate governance

Note on and discussion of corporate governance at Fortis.

Belgian listed companies must observe the Belgian code on corporate governance, referred to as the Lippens Code, which came into effect on 1 January 2005. The Code applies the 'comply or explain' system. Belgian listed companies have to

explain for the first time in their annual report 2005 the provisions of the code that were not complied with during the year. Dutch listed companies have been obliged since the beginning of the 2004 financial year to state in their annual reports that they apply the Tabaksblat Code or to explain any deviations.

Notes on how Fortis applies both the Tabaksblat Code and the Lippens Code can be found on page 68 and onwards in the Corporate Governance section of the Fortis Annual Review 2005.

Agenda item 4: Appointments

4.1.1. Reappointment of Mr Jan Slechte

The Board of Directors proposes the reappointment of Mr Jan Slechte for a period of one year, until the end of the ordinary general meeting of 2007.

Mr Jan Slechte, a Dutch national, was born in 1937. He joined the Supervisory Board of Fortis AMEV in 1996. In 1999 he became non executive director of Fortis (NL) N.V. and Fortis (B), the respective predecessors of Fortis N.V. and Fortis SA/NV.

Mr Slechte is also Member of the Supervisory Board of Samasgroep N.V., Chairman of the Supervisory Board TU Delft and Board Member of the Stichting Continuïteit Fortis.

Given the world wide business experience of Mr Slechte, the Board of Directors proposes that Mr Slechte be reappointed for a further year. In 2007, Mr Slechte will reach the age limit set by the Board of Directors.

4.1.2. Reappointment of Mr Richard Delbridge

The Board of Directors proposes the reappointment of Mr Richard Delbridge for a period of three years, until the end of the ordinary general meeting of 2009.

Mr Richard Delbridge, a British national, was born in 1942. He was appointed non-executive director of Fortis in May 2004.

Mr Delbridge holds other positions as Member of the Board of Tate&Lyle PLC, Member of the Board of JP Morgan Cazenove Holdings, Member of the Board of Gallaher Group PLC, Council Member and Treasurer of The Open University and Trustee of The Wordsworth Trust.

Given his wide experience of the management and governance of international groups, the Board of Directors proposes that Mr Delbridge be reappointed for a period of three years.

4.1.3. Reappointment of Klaas Westdijk

The Board of Directors proposes the reappointment of Mr Klaas Westdijk for a period of three years, until the end of the ordinary general meeting of 2009.

Mr Klaas Westdijk, a Dutch national, was born in 1941. He was appointed as Member of the Supervisory Board of Fortis AMEV in 1996. In 1999 he became non executive director of Fortis (NL) N.V. and Fortis (B) , the respective predecessors of Fortis N.V. and Fortis SA/NV.

Mr Westdijk is also Chairman of the Supervisory Board of ENECO Energie N.V., Vice-Chairman of the Supervisory Board of VastNed Groep N.V., Chairman of the Supervisory Board of Connexion Holding N.V. and Member of the Supervisory Board of FD Media Group B.V.

Given the proven experience of Mr Westdijk as Chairman of the Fortis Audit Committee at a time Fortis had to radically change its financial reporting due to the implementation of International Financial Reporting Standards (IFRS), the Board of Directors considers it in the interest of Fortis that Mr Westdijk remains Member of the Board for another term of three years. The Board of Directors has therefore decided to make an exception to the rule that nobody should serve as director more than 12 years. The Board of Directors also considers that this exception does not affect the independence of Mr Westdijk.

4.2.1. Appointment of Mr Aloïs Michielsens

The Board of Directors proposes that Mr Aloïs Michielsens be appointed non executive director for a period of three years, until the end of the ordinary general meeting of 2009. He meets the independence requirements as well as the competency profile defined by the Fortis Board.

Mr Aloïs Michielsens, a Belgian national, was born on 6 January 1942. He is civil engineer and has a degree in Applied Economic Sciences (UCL - Belgium).

Mr Michielsens began his career in 1969 at the Markets Division of the Solvay Group in Brussels. Then he was successively in charge of various missions for the Corporate Secretariat (1973), Managing Director of the subsidiary Sociedad General de Hules in Spain (1977-1978), Business Manager for Industrial Sheets at the Central Management Processing in Brussels (1979), before becoming General Manager of the Processing Sector (1982).

In May 1990 he was appointed Member of the Board of Directors and Member of the Executive Committee of Solvay, before being appointed Vice-Chairman of the Executive Committee in June 1994 and Chairman of the same Committee in June 1998.

On 9 May 2006, Mr Michielsens will be replaced as Chairman of the Executive Committee of Solvay and appointed as Chairman of the Solvay Board of Directors.

Mr Michielsens is also Member or Chairman of the Board of numerous companies within the Solvay Group. He is also member of the Board of Directors of CEFIC (European Chemical Federation) and Board Member of his own family business (Miko N.V.).

4.2.2. Appointment of Mr Reiner. Hagemann

The Board of Directors proposes that Mr Reiner Hagemann be appointed non executive director for a period of three years, until the end of the ordinary general meeting of 2009. He meets the independence requirements as well as the competency profile defined by the Fortis Board.

Mr. Hagemann is of German nationality. He was born in 1947. He studied Economics in Kiel and Freiburg and holds a PhD in Public Finance from the university of Freiburg (Germany).

Mr Hagemann started out as a management consultant at McKinsey in 1976. In 1977 he joined Allianz, where he initially focused on property insurance, becoming head of the property department of Allianz Frankfurter Versicherungs-AG in 1979 and director of the property division of Allianz Versicherungs-AG (München) in 1982. In 1987 he was appointed to the Management Board of this firm, bearing responsibility for property, marine and engineering insurance.

Mr Hagemann was appointed head of sales in 1991, leading Allianz's distribution network of over 10,000 agents and brokers in life and non-life insurance in Germany. From 1995 until his resignation in 2005, he was CEO of the non-life business and a member of the management board of the Allianz AG holding company.

Mr Hagemann has also been a member of the supervisory board of several companies, gaining extensive experience as a non-executive director.

Mr Hagemann currently serves as a non-executive director at EON Energie AG and Schering AG and is Chairman of the German Advisory Board of Cerberus Capital Management.

4.2.3. Appointment of Mrs Clara Furse

The Board of Directors proposes that Mrs Clara Furse be appointed non executive director for a period of three years, until the end of the ordinary general meeting of 2009. Mrs Furse meets the independence requirements as well as the competency profile defined by the Fortis Board.

Mrs Clara Furse has dual British and Canadian nationality. She was born on 16 September 1957 and holds a Bachelor's degree from the London School of Economics.

Mrs Furse began her career as a commodity broker at Heinold Commodities Ltd, where she worked from 1979 to 1982. After a brief stint with Dean Witter Reynolds Overseas, she joined Philips and Drew – later UBS – where she was promoted to Director in 1988, Executive Director in 1992, Managing Director in 1995 and head of the UBS Global Futures and Options business worldwide in 1996. She also served as a Board member and Deputy Chairman of Liffe from 1990 to 1999. Mrs Furse left UBS in 1998 to become Group Chief Executive at Credit Lyonnais Rouse, where she implemented a major

reorganisation and infrastructure change and was in charge of integrating the Rouse product lines into Credit Lyonnais UK.

Mrs Furse has been Chief Executive of the London Stock Exchange since February 2001.

Mrs Furse is a Board member of Euroclear PLC. She is also a member of the Advisory Council of the Prince's Trust, a Companion of the Chartered Management Institute, a member of the CBI President's Committee and member of the Court of the Guild of International Bankers.

4.3. Reappointment of PriceWaterhouseCoopers

In accordance with the Fortis Governance Statement (point. VI.2.3), the Fortis Audit Committee - on behalf of the Board - has completed in 2006 the three yearly review of the performance by PriceWaterhouseCoopers as external auditor. The main conclusions will be commented upon in the General Meeting on May 31, 2006. In accordance herewith and article 135 of the Belgian Companies' code, the Board proposes that the mandate of KPMG Accountants N.V. is renewed for the financial years 2006, 2007 and 2008. Their yearly annual remuneration is fixed to an amount of EUR 432.000.

Agenda item 5: Authorised capital

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The special report of the Board of Directors explains in detail the circumstances in which the authorised capital can be used and the objectives pursued. Part of the authorised capital (255,000,000 shares) must enable the company to seize on any growth opportunities which may arise and, if appropriate, to set up appropriate means of defense.

The other part (125,000,000 shares) may only be issued by the company to cover the commitments entered into in the context of the issue of some financial instruments further described in the special report of the Board and in the financial statements.

Agenda item 6: Acquisition and disposal of Fortis Units

The reason for this authorisation to allow the Board of Directors to acquire and dispose of Fortis shares for a period of 18 months is to provide the Board of Directors with the flexibility necessary to manage net equity, for example, to cover commitments arising from issues of options and convertible bonds.

By law, this authorisation may not exceed a period of eighteen months and must specify the exact number of shares that the Board can acquire and the maximum and minimum price that may be paid.