



# CORPORATE GOVERNANCE

## COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of NV Roularta Media Group has nine members:

- six directors representing the reference shareholder in accordance with the right of presentation contained in the company's articles of association. These are De PubligrAAF NV, represented by its managing director, *Mr Rik De Nolf* (2004), Joedheco NV, represented by its managing director, *Mr Leo ClaeyS* (2004), *Mrs Lieve ClaeyS* (2002), *Mrs Caroline De Nolf* (2002), *Mr Iwan Bekaert* (2004) and *Mr Jean Pierre Dejaeghere* (2006)

- three independent directors, each with a leading position in the business world. These are *Mr Clement De Meersman* (2004), managing director of Deceuninck NV, *Mr Dirk Meeus* (2004), a partner in Allen & Overy and HRV NV, represented by its managing director *Mr Hugo Vandamme* (2004), deputy chairman of Barco NV.

*Mr Johan Devisch* tendered his resignation as director in September 2001, on reaching retirement age.

Under the company's articles of association, directors are appointed for six-year terms of office, and may be dismissed at any time by the board of directors. Directors whose term of office has ended may be re-elected.

The terms of office of *Mrs Lieve ClaeyS* and *Mrs Caroline De Nolf* end at the annual meeting of 21 May 2002. A proposal will be made to the general meeting to renew them.

## ORGANISATION AND OPERATION OF THE BOARD OF DIRECTORS

The board of directors meets five times a year, that is, once a quarter and the fifth time in order to discuss and approve the budget for the coming year.

In addition to the five set meetings, the board meets, at the invitation of the chairman, whenever the interest of the company requires. In 2001 the board met eight times.

In addition to the agenda, all directors receive in advance of the meetings a package containing the necessary information, enabling

them to prepare thoroughly the items on the agenda. Minutes are drawn up of every meeting.

The board of directors discusses the company's vision, mission and strategy. Its activities also extend to discussing and deciding on the business plan, the budget, the quarterly, half-yearly and annual results, financing, matters of company law, mergers and acquisitions and external communication.

Other important topics, including the appointment of senior managers, the use of external consultants, the development of warrant and/or share option plans and special investments, are also presented to the board for approval.

In those cases where the articles of association require board decisions to be taken by a majority of votes, decisions are in practice taken on a consensus basis.

The company paid to its directors, in the form of direct and indirect compensation for 2001, a total amount of EUR 1 million.

## SUPERVISION BY THE BOARD OF DIRECTORS AND DAY-TO-DAY MANAGEMENT

The day-to-day management of the company lies with the managing director, De PubligrAAF NV, represented by its managing director, *Mr Rik De Nolf*. He is assisted in the day-to-day management of the company both by the executive committee and by the management team.

The **executive committee** consists of four persons, the managing director, the deputy chairman of the board, the general director and the financial and administrative director.

The executive committee meets twice a month, and deliberates and makes decisions based on a pre-established agenda. Minutes are prepared of every executive committee meeting.

Permanent items on the agenda of these meetings are the company's treasury position and the financial reporting. New projects or investments are presented at this meeting. Those receiving an initial positive assessment are then examined in greater detail in order to prepare a file for the board of directors.

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The **management team** has twelve members, the four members of the executive committee plus eight managers representing the various business units within the enterprise. The management team meets every three months, with reports on the situation of the various business units.

## PROTOCOL FOR PREVENTING MISUSE OF INSIDER INFORMATION

In order to prevent the illegal use of privileged information, or even arousing any impression of such, the board of directors has drawn up a protocol for preventing the misuse of insider information. This protocol is signed by the directors, executive committee members and the members of the management team.

## COMMITTEES SET UP BY THE BOARD OF DIRECTORS

The **audit committee**, set up at the time of the IPO, controls the financial reporting, the respecting of the administrative procedures and the implementation of financial and operational controls. The committee, which reports directly to the board of directors, has per se a supervisory and advisory role.

The committee is made up of general director Mr Iwan Bekaert, the company's financial and administrative director, *Mr Jean Pierre Dejaeghere* and two independent directors, *Mr Clement de Meersman*, who also chairs the committee, and *Mr Dirk Meeus*. These arrangements have been made in order to secure the independence of the audit committee and the accurate provision of information.

At the invitation of the chairman, audit committee meetings are attended by the statutory auditor, Deloitte & Touche, Bedrijfsrevisoren BV o.v.v.e CVBA, represented by *Mr Jos Vlamincx*.

The audit committee met four times in 2001. At its initiative an internal auditor was recruited in April 2001. The internal auditor attends audit committee meetings at the invitation of the chairman.

The **remuneration committee** defines remuneration policy for senior executives and board members. The remuneration committee consists of De Publigraaf NV, represented by its managing director, *Mr Rik De Nolf*, and two independent directors, *Mr Clement De Meersman* and

NV HRV, represented by *Mr Hugo Vandamme*.

At the time of its IPO, the company also set up an **appointments committee**. The three members of this committee are De Publigraaf NV, represented by its managing director, *Mr Rik De Nolf*, Joedheco NV, represented by its managing director, *Mr Leo Claey*s, and independent director *Mr Dirk Meeus*. The appointments committee meets whenever the interest of the company so requires in order to replace/recruit executive committee members, management team members and other senior managers.

In 2002 the following changes will be made:

At board level, the chair of the board of directors will be transferred to NV HRV, represented by its managing director, *Mr Hugo Vandamme*.

The management team will be extended to include *Mr Johan Plets* as controller.