



# Corporate governance

## Composition of the board of directors

The board of directors of NV Roularta Media Group has ten members:

- seven directors representing the reference shareholder in accordance with the right of presentation contained in the company's articles of association. *These are Mr Rik De Nolf, the permanent representative of De Publigraaf NV (2004), Mr Leo Claeys, the permanent representative of Joedheco NV (2004), Ms Lieve Claeys (2008), Ms Caroline De Nolf (2008), Mr Iwan Bekaert (2004), Mr Jean Pierre Dejaeghere (2006) and Mr Bert Kuypers (2008)*
- three independent directors, each with a leading position in the business world. *These are Mr Clement De Meersman, the permanent representative of BVBA Clement De Meersman (2008) and managing director of Deceuninck NV, Mr Dirk Meeus (2004), a partner in Allen & Overy, and Baron Hugo Vandamme, the permanent representative of HRV NV (2004) and deputy chairman of Barco NV.*

Mr Iwan Bekaert resigned during the year from his executive position as general director on reaching retirement age. He remains on the board as a director.

During 2002 Mr Leo Claeys also withdrew from the

operating management of Roularta Media Group NV, but continues to exercise his directorship as the permanent representative of Joedheco NV.

The number of board members was extended last year to include Mr Bert Kuypers, who has succeeded Mr Iwan Bekaert as general manager of Roularta Media Group.

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.

## 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 interests of the company require. In 2002 the board met six 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 kept of every meeting.

The board of directors consults on the company's vision, mission and strategy. It also discusses and decides 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 a total of EUR 1.6 million of direct and indirect compensation to its directors in 2002. EUR 102,600 of this amount was received by the non-executive directors. The six executive directors received EUR 1.5 million in all. During 2002 two executive directors, Mr Leo Claeys, the permanent representative of Joedheco NV, and Mr Iwan Bekaert, withdrew from the daily management of the group and became non-executive directors. Executive and non-executive directors did not receive any variable compensation. Executive directors were allotted a total of 45,000 warrants and options.

### Supervision by the board of directors and daily management

The daily management of the company lies with the managing director, Mr Rik De Nolf, on behalf of De Publigraaf NV. He is assisted in the daily management of the company both by the Executive Committee and by the Management Team.

The **executive committee** consists of three persons, the managing director (CEO), the financial director (CFO) and the general director (COO).

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, the financial reporting, investments, new projects, operating policy and personnel matters, as well as the development of administrative procedures.

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

### Protocol for preventing the 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.

In order to ensure the independence of this audit committee and the accurate provision of information, this committee includes two independent directors.

At the invitation of the Chairman, audit committee meetings can be attended by the auditor (Deloitte & Touche, Bedrijfsrevisoren BV o.v.v.e CVBA, represented by Mr Jos Vlaminckx) and by Mr Jean Pierre Dejaeghere (CFO) and Mr Bert Kuypers (COO).

The audit committee met six times in 2002. 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 and appointments committee** defines remuneration policy for senior executives and board members. It meets whenever the interests of the company require, and more specifically at the time of replacement or recruitment of directors, members of the management team and other senior managers.

At the initiative of the chairman of the board, a **strategic committee** has been set up as a forum where projects and proposals can be discussed prior to presenting a complete file to the board for its decision. ■