

CORPORATE GOVERNANCE

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COMPOSITION OF THE BOARD OF DIRECTORS

The board of directors of Roularta Media Group NV 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 Clement De Meersman BVBA (2009) and managing director of Decuninck NV, Mr Dirk Meeus (2009), a partner in Allen & Overy, and Baron Hugo Vandamme, the permanent representative of HRV NV (2009) and vice-chairman of Barco NV and chairman of Kinopolis Group NV.

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.

No rules exist in the articles of association or elsewhere concerning either age limits for directors or the exercise of their office of director.

The terms of office of Mr Rik De Nolf as the permanent representative of De Publigraaf NV, of Mr Leo Claeys as the permanent representative of Joedheco NV and of Mr Iwan Bekaert end at the general meeting of 18 May 2004. A proposal to extend their terms of office will be presented to the General Meeting.

ORGANISATION AND OPERATION OF THE BOARD OF DIRECTORS

At the invitation of the chairman, the board meets whenever the interests of the company require. The board meets at least once a quarter. An additional board meeting is held every year to discuss and approve the next year's budget.

The board of directors met five times in 2003. Eight board meetings are scheduled in 2004, including one to discuss Roularta Media Group strategy.

All directors receive in advance of the meetings a package containing the necessary information, enabling them to pre-

pare thoroughly the items on the agenda. Minutes are kept of every meeting.

The board can discuss and take decisions validly only if at least half of its members are present or represented. 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.

Close contact between the executive directors and the chairman of the board, who where necessary also informs and consults with the other board members, ensures a constant flow of information. In this way non-executive directors are kept up-to-date on specific dossiers between scheduled board meetings and are closely involved in the management and control of the company.

THE SCOPE OF THE BOARD OF DIRECTORS

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.

DAILY MANAGEMENT

The board of directors has delegated the daily management of the company and the representation of the company in relation to such management to Mr Rik De Nolf as the permanent representative 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 repre-

senting 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. Management team members are regularly invited to board meetings to explain their business units' investment plans, earnings, budgets and other matters.

REMUNERATION OF THE BOARD OF DIRECTORS

The company paid to its directors in 2003 a total fixed compensation of 363,900.00 euros. The management of the company, consisting of the four executive directors and the eight managers of the management team, received a total fixed compensation of 1,101,378.00 euros and a total variable compensation of 278,290.00 euros.

The executive directors and the eight managers were allotted a total of 139,000 warrants and options.

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

Three committees assist 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, advises on the choice and remuneration of the auditor. 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 Vlamincx) and by Mr Jean Pierre Dejaeghere (CFO), Mr Bert Kuypers (COO) and the internal auditor.

The audit committee met five times in 2003. The audit committee has paid special attention to the introduction of IFRS (International Financial Reporting Standards) in 2003.

■ The **remuneration and appointments committee** makes proposals to the board of directors on the appointment and remuneration of the members of the executive committee, management team and other senior managers. The remunera-

tion and appointments committee met once in 2003.

■ A **strategic committee** has also been set up as a forum where new proposals and projects can be discussed. The committee puts together detailed files on such proposals, which are then presented to the board for its decision. The strategic committee met once in 2003. ■