

The Board of RTL Group recognises the importance of, and is committed to, high standards of corporate governance. The principles of good governance adopted by RTL Group have been applied in the following way:

Board of Directors and Chief Executive Officer

On 31 December 2004, the Board of RTL Group had 13 members, one executive director, and 12 non-executive directors. The members of the Board of Directors were elected for a period of three years, at the Annual Shareholders meeting of 16 April 2003. Three of the non-executive directors, Onno Ruding, Jacques Santer and Martin Taylor, are independent of management and other outside interests that might interfere with the exercise of their independent judgement.

The Internal Regulations and Governance (IRG) adopted by the Board in July 2000 set out the Company's procedures for ensuring good corporate governance. To ensure independence, directors linked to RTL Group's controlling shareholders are prohibited from participating in discussions or vote relating to transaction between RTL Group or any of its subsidiaries and its controlling shareholders. Under the IRG the responsibility for day to day management of the Company is delegated to the CEO but the Board, which meets at least once every three months, has a formal schedule of matters reserved to it including approval of the annual overall Group budget, significant acquisitions and disposals and of the Group's financial statements.

The Board of Directors met four times in 2004 and adopted some decisions by circular resolution on matters presented and discussed at a previous Board meeting.

The IRG also provides for the establishment of a number of Board committees.

Nomination and Compensation Committee

The Nomination and Compensation Committee is made up of four non-executive directors. The Nomination and Compensation Committee consults with the CEO on the appointment and removal of executive directors and senior management and determines the Group's compensation policy.

Audit Committee

The Audit Committee is made up of three non-executive directors, two of whom are independent, and meets at least four times a year.

The Committee's plenary meetings are attended by the CEO, the CFO, the Head of Internal Audit with or without the external auditors.

The Committee reviews the overall risk management and control environment, financial reporting and standards of business conduct.

The Head of Internal Audit and the external auditors have direct access to the Chairman of the Audit Committee.

Directors fees

In 2004 a total of €0.9 million (2003: €0.8 million) was allocated in the form of attendance fees to the members of the Board of Directors and the Board committees, which emanate from it.