

CORPORATE GOVERNANCE

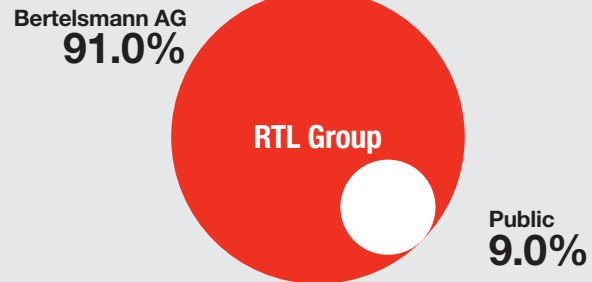
The RTL Group Board of Directors recognises the importance of, and is committed to, high standards of corporate governance. The principles of good governance adopted by RTL Group have been applied in the following way. They are in line with the ten principles of corporate governance issued by the Luxembourg stock exchange. A section on the company's website (*RTLGroup.com*) is fully dedicated to this topic and can be found in the 'About us' section. Shareholders have access to the 'RTL Group Charter on Corporate Governance', which contains all the rules of good governance applied for years by the company.

SHAREHOLDERS

The share capital of the Company is set at €191,900,551 divided into 154,787,554 shares with no par value, each fully paid up.

Shareholding structure of RTL Group as at 31 December 2009

Excluding 0.76% which is held collectively as treasury stock by RTL Group and one of its subsidiaries.



BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

On 31 December 2009 the Board of RTL Group had eight members: one executive director, and seven non-executive directors. The non-executive directors elected at the General Meeting of Shareholders on 15 April 2009 were appointed for a period of one year. The executive director elected at the General Meeting of Shareholders on 19 April 2006 was appointed for a period of five years. The biographical details of the directors are set out on pages 66 to 68. 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 Board of Directors has to review, if requested with the assistance of an expert, that any transaction between RTL Group or any of its subsidiaries and any of the shareholders is at arm's length terms. The responsibility for day-to-day management of the Company is delegated to the CEO, but the Board, which meets at least four times a year, has a formal schedule of matters reserved to it including approval of the annual overall Group budget, significant acquisitions and disposals, and the Group's financial statements. The Board of Directors met four times in 2009 – with an average attendance rate of 94 per cent – and adopted some decisions by circular resolution on matters presented and discussed at a previous Board meeting.

An evaluation of the Board of Directors' activities, as well as the activities of its committees, was performed in 2008. A new evaluation exercise is expected in 2010.

THE FOLLOWING BOARD COMMITTEES ARE ESTABLISHED

Nomination and Compensation Committee

The Nomination and Compensation Committee is made up of four non-executive directors, one of them being an independent director, and meets at least twice a year. The Nomination and Compensation Committee met three times in 2009, with an average attendance rate of 91.7 per cent.

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 four non-executive directors, two of whom are independent, and meets at least three times a year.

The committee's plenary meetings are attended by the CEO, the CFO and the Head of Internal Audit with or without the external auditors. The Audit Committee met three times in 2009, with an average attendance rate of 91.7 per cent.

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 2009 a total of €0.53 million (2008: €0.53 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors and the Committees that emanate from it (see note 9.4. to the consolidated financial statements).

Neither options nor loans have been granted to Directors.

Market abuse

The Company has taken appropriate measures in order to ensure compliance with the provisions of the Luxembourg law on market abuse, as well as with the Circulars of the Commission de Surveillance du Secteur Financier (CSSF) concerning the application of this legislation.

HOW WE MANAGE RISKS

By their nature, media businesses are exposed to risk. Television and radio channels can lose audiences rapidly as new competitive threats emerge, with consequent loss of revenue. Broadcasters and producers are also exposed to legal risks, such as litigation by aggrieved individuals or organisations. Moreover, media businesses are more exposed than most to economic cycles – advertising is usually one of the first casualties in an economic downturn. RTL Group's international presence exposes it to further risks, such as adverse currency movements.

RTL Group has robust risk management processes in place, designed to ensure that risks are identified, monitored and controlled. Risk management is an essential part of our Group's system of internal controls and is founded on a specific policy and clearly defined set of procedures.

Definition of risk

RTL Group defines a risk as the danger of a negative development arising that could endanger the solvency or existence of a profit centre, or impact negatively on the income statement of the Group.

RISK REPORTING FRAMEWORK

We have developed a framework for the reporting of risks and related controls, in line with good corporate practice. This framework is based on a number of key principles:

- Comprehensive scope of risk assessment: risks are assessed within a framework of defined key risk categories. Regular risk assessments are undertaken to include a description of the risk, an indication of the potential financial impact, and the approach taken to mitigate the risk.
- Regular reporting: RTL Group's system of internal controls ensures that risks will be addressed, reported and mitigated when they arise. Within the specific risk reporting framework all significant risks are comprehensively assessed and reported to RTL Group management on a bi-annual basis. This ensures that the necessary actions are undertaken to manage, mitigate or offset the risks within the Group.
- Bottom-up approach: we assess risks at the level where they arise – in our operations.
- Harmonised reporting tool: our operations report on their risk assessment using a common reporting tool, thus ensuring consistency in scope and approach.
- Consolidated Group matrix: we gain a comprehensive view of significant risks for the Group through the consolidation of the local risk assessments. A Risk Management Committee, chaired by the CFO and comprising senior Group management, prepares and reviews this consolidated Group risk matrix which is then submitted to RTL Group's Audit Committee.
- Audit approach: both the processes of local risk assessments and the consolidated Group risk matrix are regularly reviewed by the external auditors.

Going forward

RTL Group's risk management framework is constantly challenged, at both operations and Group level through the Risk Management Committee, in order to ensure it reflects the risk profile of the Group at any given moment.

