In accordance with the AFEP/MEDEF Corporate Governance Code, Hermès International discloses information on all elements of the compensation of its Executive Chairmen, present and deferred.

• COMPENSATION AND BENEFITS IN KIND

Principles
Article 17 of the Articles of Association provides for each Executive Chairman to receive certain compensation, together with possible additional compensation, the maximum amount of which is determined by the Ordinary General Meeting with the unanimous approval of the active partners. In accordance with these provisions:

– the gross annual compensation of each Executive Chairman provided by the Articles of Association is capped at 0.20% of the Company's consolidated income before tax (which amounts to €3,025,636 for 2016), in the previous financial year. The principle defined by these provisions of the Articles naturally leads to a strict variability of the gross compensation of Executive Chairmen since it corresponds to the Company's consolidated income before tax that is variable by nature. For the sake of clarity, the compensation provided by the Articles is called "variable compensation".

– The Ordinary General Meeting of 31 May 2001 decided to allocate additional compensation at that time subject to a ceiling of €457,347.05. This ceiling, which can only be adjusted upwards, is indexed each year to growth in the Company's consolidated revenue for the previous financial year at constant exchange rates and on the same scope of consolidation, by comparison with revenue for the before to last financial year (which amounts to €2,028,368 for 2016). For the sake of clarity, the additional compensation is called "fixed compensation".

Within the limits of the maximum amounts hereby defined, the Management Board of the active partner Émile Hermès SARL, defines the effective amount of the gross annual compensation and the additional compensation of each Executive Chairman.

2016 Compensation and benefits in kind

At its meeting of 22 March 2016, the Management Board of Emile Hermès SARL decided to set the Executive Chairmen's compensation for 2016 as follows:

<table>
<thead>
<tr>
<th></th>
<th>Fixed compensation (additional compensation) Gross annual amount</th>
<th>Variable compensation (compensation provided by the Articles) Gross annual amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Emile Hermès SARL</td>
<td>€500,000</td>
<td>€756,409</td>
</tr>
<tr>
<td>Mr Axel Dumas</td>
<td>€1,260,991</td>
<td>€1,294,762</td>
</tr>
</tbody>
</table>

The Management Board wished to strictly apply to the compensation of the Executive Chairman natural person, the principle of variability contained in the provisions of the Articles presented above.

Therefore, it decided to make changes to the compensation of Axel Dumas in 2016 by applying the variation seen between 2014 and 2015 on the two objective quantitative criteria that have served as reference for the compensation of Chairmen for many years (under Article 17 of the Articles of Association), namely - the consolidated income before tax and the consolidated revenues of the company. These objective criteria are public and by nature predefined.

As for Emile Hermès SARL, Executive Chairman legal person, the Management Board decided to limit its compensation to the above indicated amounts.

It is recalled that the two Executive Chairmen do not receive any multi-year variable compensation.
Mr Axel Dumas receives benefits in kind: representation.

At the meeting of the Supervisory Board on 22 March 2016, the Compensation, Appointments and Governance Committee stated that it had ascertained that the compensation of the Executive Chairmen was in accordance with the Articles of Association and with the decisions of the Active Partner.

*Other Components of Compensation*

**Pension plan**

*Defined-contribution pension scheme (Art. 83)*

Mr Axel Dumas is eligible for the top-up defined-contribution pension scheme set up for the benefit of all employees of the Group's French companies that have joined the scheme (Decision of the Supervisory Board of 4 June 2013, approved by the Ordinary General Meeting of 3 June 2014 – 4th resolution - in application of Article L 225-40 of the French Commercial Code).

*Defined-benefit pension scheme (Art. 39)*

Mr Axel Dumas is in addition eligible for the top-up pension scheme set up in 1991 for the benefit of the company managers (Decision of the Supervisory Board of 4 June 2013, approved by the Ordinary General Meeting of 3 June 2014 – 4th resolution - in application of Article L 225-40 of the French Commercial Code).

The pension scheme has the obligatory precondition, in particular, that beneficiaries must have reached the end of their professional career with the company, have at least 10 years seniority and be eligible to draw pension benefits under the basic state compulsory old-age Social Security regime. Assuming all conditions for eligibility are fulfilled, the annual pension of this scheme is calculated on the basis of the average of the final three amounts of annual compensation, and may not exceed an amount of 8 times the annual social security ceiling.

**Deferred compensation obligations**

The Company has agreed to pay Mr Axel Dumas an amount equal to 24 months' total compensation (the sum of his compensation provided by the Articles of Association and additional compensation), in the event that his appointment as Executive Chairman is terminated (Decision of Supervisory Board of 4 June 2013 approved by the Ordinary General Meeting of 3 June 2014 in a specific resolution – the 9th resolution – in application of article L 225-42-1 of the French Commercial Code).

**Options to subscribe for and to purchase shares - Bonus shares**

No option to subscribe for nor to purchase shares was granted to the Chairmen in 2015.

The Company's corporate governance practices and all components of the Executive Chairmen's compensation in 2015 will be set out in detail in the Company's 2015 Registration Document.