



SUMMARY OF THE STOCK MARKET ETHICS CODE

*Preventive measures against market abuse within the Hermès
Group*

4th Edition November 16th 2018

The European Regulation (EU) n° 596/2014 of April 16th 2014 on market abuse (commonly referred to as MAR") entered into force on July 3rd 2016. It was supplemented by a Position-Recommendation of the AMF n°2016-08 of October 26th 2016 (Guide on the ongoing information and the management of Inside Information) and two instructions of the AMF n°2016-06 on the disclosure of Executive managers' transactions and n°2016-07 on the methods for providing information to the AMF in case of deferred public disclosure.

These new regulations introduce new rules and measures applicable to insiders, companies listed on the stock exchange and their corporate officers, which makes it necessary for us to review our internal procedures, practices and preventive trainings for insiders within the Hermès Group.

Since February 1, 2017, the Hermès Group has adopted a Hermès Group Code of Market Conduct (the "Code") which formalizes the measures taken and the obligations incumbent upon persons, whether executive or not, who may have access to inside information . This Code consolidates and replaces the previously published documents and in particular the market ethics charter cited in the previous registration documents. A summary of this Code is made available at each update on the website <http://finance.hermes.com/letlet> "Corporate Governance", heading "Social Bodies / The Supervisory Board".

The Code has been updated on July 25, 2017, January 1, 2018 and November 16, 2018 as follows:

- inclusion of precautionary measures with regard to the broadcasts / comments on networks and social media related to the Hermès group;
- update of the applicable regulations (CNIL deliberation N ° 2017-200 of 6 July 2017, ESMA interpretations, adaptation to the GDPR);
- editorial clarification.

It is organized as follows:

FUNDAMENTAL NOTIONS (inside information, insiders and persons assimilated to insiders, insiders' lists, trading days, AMF).

THE GROUP'S INTERNAL PROCEDURES

Implementation of abstention periods or "blackout periods" (or closed periods)

The Group considers that the Executive chairmen, the members of the Executive Committee, the members of the Supervisory Board and the members of the Management Board of Emile Hermès Sarl are "permanent insiders" (under MAR).

As an internal rule, Hermès International defines as "sensitive persons", the employees that are not insiders but are susceptible to hold sensitive or confidential information, which are not inside information. As a precautionary measure and as a way to make them accountable, these persons are subject to specific abstention periods. A list of sensitive persons is established and the persons listed are informed.

Permanent insiders and sensitive persons must refrain from any transactions on Hermès International shares, during the blackout periods applicable to the company and detailed in the calendars of blackout periods established and published every year.

The obligation to abstain covers all transactions on Hermès International shares and applies:

- To permanent insiders, from the dates of quarterly sales reporting, and the dates of annual and quarterly results reporting (accounting data which permits to sufficiently ascertain the numbers beforehand)
- To permanent insiders and sensitive persons, during the “financial” closed periods:
 - 30 calendar days before the publication of the annual and mid-year accounts
 - 15 calendar days before the publication of the quarterly financial information and turnover.
- To the beneficiaries of free shares (only for the sale of shares freely allotted, at the end of the retention period) during the “free shares” closed periods:
 - during the 10 stock exchange trading days preceding and the 3 stock exchange trading days following the date on which the annual accounts or mid-year accounts are published,
 - during the 10 stock exchange trading days preceding and the 3 stock exchange trading days following the date on which the quarterly turnover is published,
 - On an exceptional basis, from the moment the Group disseminates a specific alert on an operation forbidding all transactions, until the expiration of a period of 10 stock exchange trading days after the publication of this information.

Qualification procedure and deferred public disclosure of inside information

Hermès International has established an Inside Information Committee (IIC) which role is to identify and qualify inside information, to decide to defer or not the publishing of an inside information and to identify the insiders for each inside information (excluding permanent insiders). The IIC is composed of an Executive chairman (Axel Dumas), the Executive Vice President Finance (Éric du Halgouet) and the Group Financial Operations and Investor Relations Director (Carole Dupont-Pietri).

Appointment of a Securities Compliance Officer

Hermès International has appointed Nathalie Besombes (Corporate law and Stock Exchange Regulations Director / Company Secretary) as Securities Compliance Officer. The Securities Compliance Officer’s duties are: the establishment of the procedures and the management tools of the insiders lists, the creation and updating of the lists of permanent insiders, occasional insiders and sensitive persons with the information received from the CII, the drafting, publication and update of the stock market ethics Code, the preparation of trainings for the insiders, the establishment and publishing of calendars of blackout periods applicable to permanent insiders, occasional insiders and sensitive persons, the information of the insiders and collection of their explicit acknowledgment of their obligations, the issuance of oral consultative opinions prior to the conclusion of a transaction by the permanent or occasional insiders.

Implementation of a list management software

In 2018, the Securities Compliance Officer acquired the “Insider Room” program from the Oodrive company in order to create, update and monitor the lists of Sensitive Persons.

This software is used to:

- Create sections for each Inside Information.

- Administer a directory of Insiders and Sensitive Persons.
- Manage the Permanent Insiders who, as a result of their duties, have regular or permanent access to Inside Information.
- Provide Insiders with a place where they can access the list of sections in which they are included, and accept their commitment text(s).
- Insiders and Sensitive Persons accept their commitment texts.
- Monitor acceptance of the commitment texts, and provide reminders for any that are still pending.
- Time-stamp and trace all actions performed.
- Export the Insider Lists at a given moment T to the AMF, on request.

Statutory rules and internal prevention measures and the sanctions applicable

The stock market ethics Code recommends to comply with the prevention and confidentiality rules, and underlines the abstention obligations and the declaration obligations to the AMF as well as the internal information applicable.

It explains the sanctions applicable in case of criminal or administrative prosecution.