



# HERMÈS

2018 REGISTRATION DOCUMENT

**EXTRACTS FROM THE REGISTRATION DOCUMENT**

The following page numbers are those of the 2018 Registration document

## 3.1 SUPERVISORY BOARD'S REPORT ON CORPORATE GOVERNANCE

This report was drawn up in accordance with Article L. 226-10-1 of the French Commercial Code and the recommendations issued by the Financial Markets Authority (AMF). It was jointly prepared by the Chairman of the Supervisory Board, the CAG-CSR Committee, the Board Secretary and the functional departments concerned. It was approved by the Supervisory Board at its meeting of 19 March 2019.

### 3.1.1 THE COMPANY'S CORPORATE GOVERNANCE CODE

#### 3.1.1.1 Corporate governance principles applied

The Supervisory Board officially adopted the AFEP-MEDEF recommendations on corporate governance in 2009, as it deemed these recommendations to be entirely in keeping with the Group's corporate governance policy. The guidelines include the AFEP-MEDEF Corporate Governance Code for listed companies, revised in June 2018, and the recommendations from the HCGE (Corporate Governance High Committee), which further elaborate this code's recommendations.

With each revision of the AFEP-MEDEF Code, the CAG-CSR Committee performs an exhaustive comparative analysis of the Company's application of the AFEP-MEDEF Code's recommendations, and reports to the Supervisory Board.

#### 3.1.1.2 Provisions of the AFEP-MEDEF Corporate Governance Code, revised in June 2018, not applied by virtue of the Company's legal form or other reasons - newly complied with

The table below lists the provisions of the AFEP-MEDEF Code not applied by the Company. In line with the recommendations of the AMF, the provisions not applied on account of the Company's legal form are singled out from those not applied for other reasons, with the corresponding explanations. We have also listed the changes made since the last revision of the AFEP-MEDEF Code in June 2018 to ensure compliance therewith.

#### Provisions of the AFEP-MEDEF Code not applied due to the Company's legal form

#### Explanations

##### Board meetings and committee meetings (Article 10.3)

It is recommended that at least one meeting not attended by the Executive Corporate Officers be organized each year.

In view of the role of the Supervisory Board (described on page 153) in a *société en commandite par actions* (SCA – a partnership limited by shares), this provision of the AFEP-MEDEF Code does not apply.

##### Succession plan for Executive Corporate Officers (Article 16.2.2)

The Appointments Committee (or an *ad hoc* committee) should design a plan for replacement of Executive Corporate Officers. This is one of the committee's most important tasks even though it can, if necessary, be entrusted by the Board to an *ad hoc* committee. The Chairman may take part or be involved in the Committee's work during the conduct of this task.

The Company's CAG-CSR Committee (see description starting on page 183) is not in charge of establishing the succession plan for the Executive Chairmen, a task that does not fall within the remit of the Supervisory Board in an SCA. In accordance with its rules of procedure, since 2016 the CAG-CSR Committee has been tasked with ensuring the existence of a succession plan for the Executive Chairmen, which it first did in 2017 with annual reviews thereafter (see page 139). In 2018, the CAG-CSR Committee also ensured there was a succession plan for the Chairman of the Supervisory Board and added this duty to its rules of procedure (see page 149).

##### Composition of the Compensation Committee (Article 17.1)

It is recommended that the Chairman of the Committee be independent and that one of its members be an employee director.

The Company's CAG-CSR Committee (see description starting on page 183) is not tasked with setting the compensation of the Executive Chairmen, a task which falls within the remit of the Active Partner and not the Supervisory Board. The Supervisory Board therefore decided that it was not relevant for an employee representative to be a member.

Provisions of the AFEP-MEDEF Code not applied for other reasons	Explanations
<p><b>Proportion of independent members on the Supervisory Board (Article 8.3)</b> Independent directors should account for at least one-third of Supervisory Board members.</p>	<p>Mr Robert Peugeot had served for 12 years of office on 24 January 2019. He has therefore lost his status as independent Board member of the Supervisory Board according to the criteria set out in Article 8.5 of the AFEP-MEDEF Code.</p> <p>He was reappointed at the General Meeting of 5 June 2018 for a period of one year so as to replace him under the best possible conditions with a new independent member of the Supervisory Board at the General Meeting to be held in 2019. In 2018, the Supervisory Board deemed it better to have a slightly lower proportion of independent members on the Board and Audit and Risk committee than required by the AFEP-MEDEF Code for a few months rather than to waive one of the independence criteria with regard to Robert Peugeot.</p> <p>Ms Sharon MacBeath resigned from her post as a member of the Supervisory Board as of 20 March 2019 for personal reasons.</p> <p>With Mr Robert Peugeot losing his independent member status and Ms Sharon MacBeath resigning, the proportion of independent members on the CAG-CSR Committee falls below the levels required by the AFEP-MEDEF Code.</p> <p>On the publication date of this Registration Document, the Board, in conjunction with the CAG-CSR Committee, is continuing its selection process that will enable it to propose, at the General Meeting to be held on 4 June 2019, the appointment of two new independent members to replace Mr Robert Peugeot and Ms Sharon MacBeath, and thereby restore the proportion of independent members on the Board to one-third.</p>
<p><b>Proportion of independent members on the Audit Committee (Article 15.1)</b> Independent directors should account for at least two-thirds of Audit Committee members and the Committee should not include any Executive Corporate Officers.</p>	<p>The Supervisory Board determined that in 2018 slightly less than two-thirds of the Audit and Risk committee members are independent (60%, i.e. three out of five members). This situation enables the Audit and Risk committee to carry out its duties in an appropriate manner. In the Audit and Risk committee rules of procedure, which were adopted on 24 March 2010, the Supervisory Board stipulates that at least one-half of the seats on the Audit and Risk committee be held by members who qualified as independent at the time of their appointment and throughout their term of office. In its 2014 report, the HCGE considers "that an Audit Committee with, for example, three independent members out of five remains compliant with the spirit of the Code, provided that the Chairman is an independent member", as is the case for this Company. There are no immediate plans to increase the proportion of independent members of the Audit and Risk committee to two-thirds, however the Board will review the matter at each annual assessment.</p> <p>As set out above, the proportion of independent members on the Audit and Risk committee had been reduced temporarily, since the beginning of 2019, to 25%, owing to the loss of the independent member status of Mr Robert Peugeot and by the resignation of Ms Sharon MacBeath from the Supervisory Board.</p> <p>The ongoing selection of two new independent members should result in the proportion of independent members on the Audit and Risk committee being restored to 60%.</p>
<p><b>Proportion of independent members on the Compensation Committee (Article 17.1)</b> It must not include any Executive Corporate Officers and must be formed by a majority of independent directors.</p>	<p>As set out above, the proportion of independent members on the CAG-CSR Committee had been reduced temporarily, since the beginning of 2019, to one-third, owing to the loss of the independent member status of Mr Robert Peugeot and by the resignation of Ms Sharon MacBeath from the Supervisory Board.</p> <p>The ongoing selection of two new independent members should result in the proportion of independent members on the CAG-CSR Committee being restored to 50%.</p>
<p><b>Severance payment (Article 24.5.1)</b> The performance requirements set out by the Board for these benefits must be assessed over at least two financial years. They must be demanding and may not allow for the indemnification of a director unless his or her departure is forced, regardless of the form of this departure.</p>	<p>The Company has undertaken to make a severance payment to Mr Axel Dumas under the conditions described in the explanatory statement on page 372 <i>et seq.</i></p> <p>Given the importance of the Active Partner's role in an SCA including the power to appoint and dismiss any Executive Chairman and, in the case of a legal entity, its legal representative, it was decided that any termination of Mr Axel Dumas' duties as Executive Chairman resulting from the replacement of the Executive Chairman of Émile Hermès SARL should be deemed a forced departure.</p> <p>The Supervisory Board accordingly considered that the deferred compensation undertaking made for the benefit of Mr Axel Dumas complied with the requirements of the AFEP-MEDEF Corporate Governance Code.</p> <p>In its November 2018 report on corporate governance and senior executive officer compensation, the AMF recommends that the Board carry out a regular review of the components of compensation that may be due at the time of or subsequent to the departure of an officer and that it question the possibility and desirability of compliance with new code provisions.</p> <p>At the beginning of 2019, the CAG-CSR Committee reviewed this undertaking. It concluded that alignment with the new provisions of the AFEP-MEDEF Code was not necessary.</p>

Provisions of the AFEP-MEDEF Code not applied for other reasons	Explanations
<b>Consultation of shareholders on the compensation of the Chairman of the Supervisory Board (Article 26.2)</b>	<p>It did not seem relevant for the Executive Management to ask shareholders to vote on the compensation of the Chairman of the Supervisory Board insofar as he:</p> <ul style="list-style-type: none"> <li>◆ receives fixed compensation of €140,000 as set out in the Supervisory Board's rules of procedure, deducted from the total amount of directors' fees approved by the General Meeting;</li> <li>◆ receives no other compensation of any kind whatsoever.</li> </ul> <p>Shareholders have previously been made aware of this information.</p>

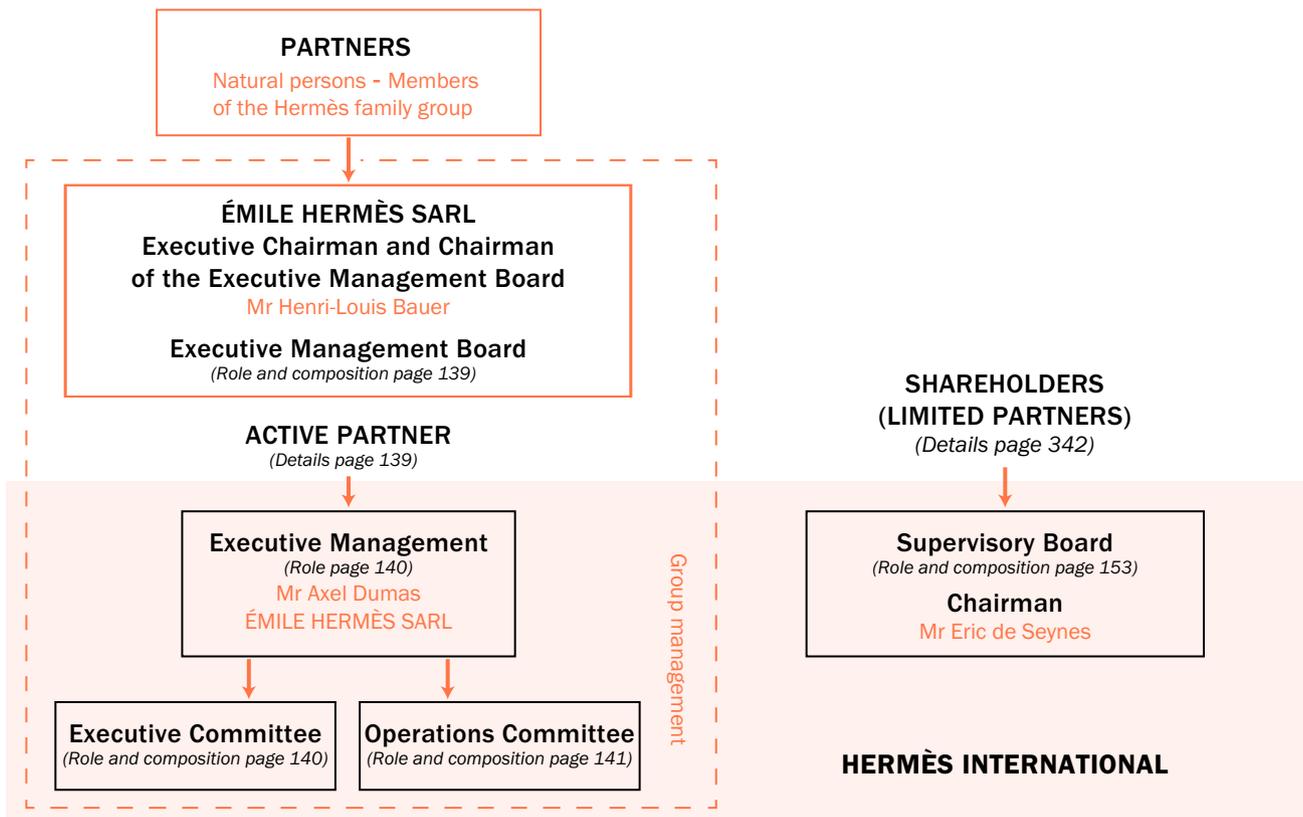
Changes made since the revision of the AFEP-MEDEF Code in June 2018 to ensure compliance therewith	Explanations
<b>Duties of the Board (Article 1.1 to 1.6)</b> <b>Commitments of companies to non-discrimination and diversity (Article 1.7)</b> <b>Communication between shareholders and the Board (Article 4.4)</b> <b>The Board's diversity policy (Article 6.2)</b> <b>Duties of the Audit Committee (Article 15.2)</b> <b>Business ethics of directors (Article 19)</b>	<p>On 11 September 2018 the Supervisory Board's rules of procedure (see page 207 for the full text) were updated in order to:</p> <ul style="list-style-type: none"> <li>◆ update the date of revision of the AFEP-MEDEF Code (§ 1.1.21.);</li> <li>◆ include the new provisions of Articles 1.4 to 1.7, 6.2 and 4.4 of the AFEP-MEDEF Code (§ 1.2.4.);</li> <li>◆ include the new provisions of Article 19 of the AFEP-MEDEF Code (§ 1.1.3.6.).</li> </ul> <p>The CAG-CSR Committee's rules of procedure were updated on 16 November 2018 to:</p> <ul style="list-style-type: none"> <li>◆ rename it "Compensation, Appointments, Governance and CSR Committee" or "CAG-CSR Committee";</li> <li>◆ assign new duties to it relating to social and environmental responsibility: <ul style="list-style-type: none"> <li>● assist the Supervisory Board in monitoring issues relating to CSR so that the Hermès Group can better foresee and tackle opportunities, challenges and the related risks,</li> <li>● assist the Supervisory Board in monitoring the Hermès Group's social policy and the non-discrimination and diversity policy.</li> </ul> </li> </ul> <p>The Audit Committee's rules of procedure were updated on 16 November 2018 and 19 March 2019, in order to:</p> <ul style="list-style-type: none"> <li>◆ rename it the "Audit and Risk committee";</li> <li>◆ two new duties relating to risk exposure and the prevention of corruption: <ul style="list-style-type: none"> <li>● regularly review opportunities and exposure to risks such as financial, legal, operational, social and environmental risks, as well as the measures taken in the light of these,</li> <li>● ensure the implementation of a system for the prevention and detection of corruption and influence-peddling;</li> </ul> </li> <li>◆ include the new provisions of Articles 1 and 15.2 of the AFEP-MEDEF Code (§ 2.1)</li> </ul> <p>At its meeting of 20 March 2018, the Supervisory Board had already assigned to the Chairman the responsibility for communicating with shareholders on behalf of the Board (see page 178).</p> <p>The policy on diversity in the composition of the Board already featured in the Registration Document (see page 170).</p>
<b>Independence criteria (Article 8.5.3)</b>	<p>A new review of the independence of members of the Supervisory Board was carried out by the CAG-CSR Committee in early 2019, by checking that independent members did not act in an «advisory» capacity for the Hermès Group.</p>
<b>Individual participation of Directors (Article 10.1)</b>	<p>No alignment necessary as the individual attendance of members of the Supervisory Board already featured in the Registration Document (see page 177).</p>
<b>Reason for which the appointment or reappointment of a member of the Board is proposed to the General Meeting (Article 13.4)</b>	<p>The presentation of resolutions proposing the reappointment or appointment of members of the Supervisory Board was supplemented (see page 378 <i>et seq.</i>) by the reasons for which they are proposed.</p>
<b>Inclusion of a CSR-related criterion in Senior Executive compensation (Article 24.1.1)</b>	<p>On the proposal of the CAG-CSR Committee, the Executive Management Board of Émile Hermès SARL of 19 March 2019 decided to subject part of the variable compensation of the two Executive Chairmen to a new CSR criterion, representing the Group's stated and constant commitments to sustainable development, as set out on page 202.</p>
<b>Standardised presentation of information on the Board and Committees</b>	<p>The brief presentation of the Board and committees, the presentation sheets of the Executive Chairman and members of the Supervisory Board, the table of changes made in the composition of the Board and the presentation of the independence of members have been fine-tuned.</p>

**Corporate Governance Award**

Since 2009, the *Grands Prix de la Transparence* (Transparency Awards) reward the quality of regulated information of French SBF 120 companies. The aim of these *Grands Prix* is to allow issuers to measure their performance every year in terms of transparency and to identify best practices among listed companies. Every year the level of requirements increases (from 40 criteria in 2009 to over 165 criteria in 2018).

At the 9th Edition of the *Grands Prix de la Transparence* on 3 October 2018, Hermès International received the *Grand prix de la Meilleure Progression* (special award for the best improvement). This award is based on the following criteria: accessibility, precision, comparability and availability of four key materials (registration document, ethical charter, financial website and notice of meeting).

This award is a recognition of the work of all our teams who work together to prepare our regulated information documents.

**3.1.2 ORGANISATIONAL STRUCTURE OF HERMÈS INTERNATIONAL**

### 3.1.3 ADMINISTRATIVE AND MANAGEMENT BODIES

#### 3.1.3.1 Changes in 2018

No changes took place in the Executive Management or the Executive Committee in 2018.

#### 3.1.3.2 Succession plan for Senior Executives

Every two years, a 360° Human Resources review known as the "Talent Review" is performed in each subsidiary to:

- ◆ identify, according to demanding and selective criteria, talent capable of holding the highest responsibilities within the House;
- ◆ support the development of talent through targeted and ambitious initiatives to create conditions fostering their performance, motivation and loyalty;
- ◆ anticipate and manage potential staff moves (between/within subsidiaries) and succession plans, to ensure the continuity of the organisation and take Hermès into the future.

This Talent Review covers the succession of the members of the Executive Committee. A summary of, and the action plans stemming from, the 2018 Talent Review were presented to the CAG-CSR Committee at end-2018.

In addition, a succession plan has been drawn up for Executive Management. In 2016, this plan was submitted orally to the CAG-CSR Committee, which commended its quality and its appropriateness. In 2017, the CAG Committee carried out an annual review of this plan and noted that no changes had been made to it.

This succession plan covers:

- ◆ temporary interim succession (temporary absence of an Executive Chairman, e.g. due to illness or accident);
- ◆ unplanned succession (permanent impairment, death or resignation of an Executive Chairman in the short or medium term), normal succession (medium and long term).

In early 2019, the CAG-CSR Committee was informed of a written memo setting out the details of the succession plan for Executive Management. This plan was given to the Active Partner.

It should be noted that the existence of two Executive Chairmen, one of which is a legal entity, guards against the Executive Management falling vacant unexpectedly.

The CAG-CSR Committee has requested that the Talent Review be presented to it every two years and that the succession plan for Executive Management and the Chairman of the Supervisory Board is presented to it annually.

For the succession plan of the Chairman of the Supervisory Board, refer to section 3.1.4.2 (page 149).

#### 3.1.3.3 The Group's management (role and composition, list of offices and functions performed)

##### The Active Partner and its Executive Management Board

Role	Composition at 31/12/2018	
The Active Partner is jointly and severally liable for all the Company's debts, for an indefinite period of time. The Active Partner has the authority to appoint or revoke the powers of the Executive Chairman, after receiving the reasoned opinion of the Supervisory Board. The Active Partner makes all decisions pertaining to the Group's strategic options, consolidated operating and investment budgets, and recommendations to the General Meeting with respect to the distribution of share premiums, reserves and retained earnings, on the recommendation of the Supervisory Board. It may submit recommendations to the Executive Management on any matter of general interest to the Group. It authorises all company loans, sureties, endorsements and guarantees, any pledges of collateral and encumbrances on the Company's property, as well as the creation of any company or acquisition of an interest whenever the investment amounts to more than 10% of the Group's consolidated net worth.	◆ <b>Émile Hermès SARL</b> represented by its Executive Management Board:	
	◆ <b>Mr Henri-Louis Bauer</b>	Active Partner
	◆ <b>Mr Frédéric Dumas</b>	Executive Chairman, Chairman and Member of the Executive Management Board
	◆ <b>Ms Pascale Mussard</b>	Vice-Chairman and member of the Executive Management Board
	◆ <b>Ms Sandrine Brekke</b> ◆ <b>Ms Capucine Bruet</b> ◆ <b>Ms Alice Charbin</b> ◆ <b>Mr Édouard Guerrand</b> ◆ <b>Mr Laurent E. Momméja</b> ◆ <b>Mr Jean-Baptiste Puech</b> ◆ <b>Mr Guillaume de Seynes</b>	Vice-Chairwoman and member of the Executive Management Board

## Executive Management

### Role

The Executive Management ensures the management of Hermès International.

The role of the Executive Chairman is to manage the Group and act in its general interest, within the scope of the corporate purpose and subject to those powers expressly granted by law or by the Articles of Association to the Supervisory Board, to the Active Partner and to Shareholders' General Meetings. The Executive Chairmen distributed their roles as follows: Mr Axel Dumas is in charge of strategy and operational management, and Émile Hermès SARL, through its Executive Management Board, is responsible for the vision and strategic areas.

### Composition at 31/12/2018

The Executive Chairmen are appointed by the Active Partner, after consultation with the Supervisory Board. In accordance with the Articles of Association, the Executive Management comprises one or two Executive Chairmen, who are natural persons, Active Partners or from outside the Company, each having the same powers and duties. The term of office of the Executive Chairmen is open-ended.

- |   |                    |
|---|--------------------|
| ♦ <b>Mr Axel Dumas</b><br>appointed by the Active Partner<br>on 4 June 2013<br>(effective 5 June 2013).   | Executive Chairman |
| ♦ <b>The company Émile Hermès SARL</b><br>(represented by Henri-Louis<br>Bauer) appointed by the Active<br>Partner on 14 February 2006<br>(effective 1 April 2006). | Executive Chairman |

### Shareholding obligations

At its meeting of 21 March 2017, the Supervisory Board decided that the Executive Chairmen should each be required to hold a minimum of 1,000 Hermès International shares pursuant to Article 22 of the AFEP-MEDEF Code. The two Executive Chairman comply with this requirement.

## Executive Committee

### Role

The Group management is comprised of the Executive Chairman and the Executive Committee, which consists of managing directors, each of whom has well-defined areas of responsibility.

It comprises eight members.

Its role is to oversee the Group's strategic and operational management.

The Executive Committee meets every two weeks.

Its composition reflects the Group's main areas of expertise.

### Composition at 31/12/2018

- |                                 |   |
|---------------------------------|---|
| ♦ <b>Mr Axel Dumas</b>          | Executive Chairman  |
| ♦ <b>Mr Florian Craen</b>       | Executive Vice-President Sales & Distribution                         |
| ♦ <b>Ms Charlotte David</b>     | Executive Vice-President Communication                                |
| ♦ <b>Mr Pierre-Alexis Dumas</b> | Artistic Executive Vice-President                                     |
| ♦ <b>Mr Olivier Fournier</b>    | Executive Vice-President of Governance and Organisational Development |
| ♦ <b>Mr Wilfried Guerrand</b>   | Executive Vice-President of Digital Projects and E-commerce           |
| ♦ <b>Mr Éric du Halgouët</b>    | Executive Vice-President Finance                                      |
| ♦ <b>Mr Guillaume de Seynes</b> | Executive Vice-President Manufacturing division & Equity Investments  |

### As at 31 December 2018

Average seniority on the Executive Committee	6 years
Average seniority in their positions:	5 years
Average age:	51 years
Percentage of women <sup>1</sup>	14.29%

(1) Excluding Executive Chairman.

### Changes to the Executive Committee after 31 December 2018

A reorganisation took place on 1 April 2019:

1) Ms Catherine Fulconis, Executive Vice-President in charge of the Leather Goods - Saddlery (which also includes the Hermès Horizons and Equestrian *métiers*) and petit h *métiers* joined the Executive Committee.

2) Mr Wilfried Guerrand was appointed Executive Vice-President of the *Métiers* (Hermès Woman, Hermès Man, Hermès Jewellery, Hermès Silk and Textiles, and Hermès Home), Information Systems and Data.

3) Digital communication is now headed up by Ms Charlotte David, Executive Vice-President Communication, and e-commerce by Mr Florian Craen, Executive Vice-President, Sales.

## Operations Committee

Role	Composition at 31/12/2018	
The Operations Committee, which reports to the Executive Management, is made up of the Executive Committee and the Senior Executives of the main <i>métiers</i> and geographical areas of the Group.	◆ <b>Mr Axel Dumas</b>	Executive Chairman and Chairman of the Committee
It comprises 22 members (25 members from 1 April 2019).	<b>Members of the Executive Committee (see page 140)</b>	
Its duties are:	<b>Senior Executives of the <i>métiers</i></b>	
◆ to involve Senior Executives in the Group's major issues and strategic orientations;	◆ <b>Ms Agnès de Villers</b>	Perfumes
◆ to promote communication, sharing and reasonable exchanges amongst its members in their area of responsibility,	◆ <b>Mr Laurent Dordet</b>	Watches
◆ to enable the Executive Committee to take certain decisions.	◆ <b>Ms Catherine Fulconis</b>	Leather Goods & Saddlery
The Operations Committee meets for a full day three times a year.	◆ <b>Mr Wilfried Guerrand</b>	Women's Ready-to-Wear
	◆ <b>Ms Antoinette Louis</b>	Silk and Textiles
	◆ <b>Ms Véronique Nihanian</b>	Men's Ready-To-Wear
	◆ <b>Ms Anne-Sarah Panhard</b>	Home
	◆ <b>Ms Laurence Reulet</b>	Jewellery
	<b>Senior Executives of the Geographical areas</b>	
	◆ <b>Mr Masao Ariga</b>	Japan
	◆ <b>Mr Robert Chavez</b>	United States and Latin America
	◆ <b>Ms Hélène Dubrule</b>	France
	◆ <b>Mr Eric Festy</b>	South Asia
	◆ <b>Mr Luc Hennard</b>	China
	◆ <b>Ms Juliette Streichenberger</b>	Europe
	◆ <b>Ms Ségolène Verdillon</b>	Travel Retail
Percentage of women <sup>1</sup> :		47.61%
Percentage of foreigners <sup>1</sup> :		9.52%

(1) Excluding Executive Chairman.

### Changes to the Operations Committee after 31 December 2018

On 1 April 2019, three new members – Managers of the *métiers* – were appointed to the Operations Committee:

- ◆ Ms Hinde Pagani: Deputy Managing Director – Digital Sales and Service;
- ◆ Ms Ambre Pulcini: Executive Vice-President - Women's Ready-to-Wear and Shoes *Métier*;
- ◆ Ms Elodie Potdevin: Executive Vice-President - Fashion Accessories *Métier* and IoT ("Internet of Things").

### Policy of non-discrimination and diversity, in particular concerning the balanced representation of men and women on the governing bodies and results in terms of gender balance in the 10% of key management positions

Whether appointments to governing bodies, recruitment or the appointment of any employee, the Hermès Group is particularly committed to compliance with the principle of non-discrimination.

Whenever possible, all employees are reminded of the importance of this principle.

The "Hermès - a Responsible Employer" policy insists on compliance with two essential principles: the principle of non-discrimination and the principle of gender equality.

The Group has instituted an "Alterego" training programme which focuses on integration and diversity management. The Alterego programme is attended by all Management Committees and the Group's local managers. It goes at great length into identifying and combatting all forms of discrimination (direct, indirect or even accidental) and puts the emphasis on the Group's zero tolerance policy as regards such types of practice.

The Group has also made commitments to professional integration and retaining people with a disability in employment (see pages 80 and 81 and pages 111, 112 and 113).

In accordance with the provisions of Article L. 225-37-4, 6° of the French Commercial Code, as amended by the law "for the freedom to choose one's professional future", adopted on 1 August 2018, we describe how the Company seeks balanced representation of men and women on the committee established, where relevant, by Executive Management in order to regularly assist it in exercising its general duties and the results in terms of gender balance in the 10% of key management positions.

Two committees were set up by Executive Management several years ago to regularly assist it in exercising its general duties:

- ◆ The Executive Committee (role and composition page 140)
- ◆ The Operations Committee (role and composition above)

The table below illustrates gender balance on the governance bodies and in the senior executives category:

Proportion of women	As at 31 December 2018	In 2019 <sup>3</sup>
Supervisory Board <sup>1</sup>	50.00%	45.45%
Executive Committee <sup>2</sup>	14.29%	25.00%
Operations Committee <sup>2</sup>	47.61%	54.16%
Senior executives	44.90%	-

(1) Excluding the Employee representative member of the Supervisory Board.

(2) Excluding the Executive Chairman.

(3) On the publication date of this Registration Document.

European Women on Boards (EWoB) and Ethics & Boards have published their first European gender diversity index. This comparative classification highlights the best practices of European companies in terms of gender diversity and was created in order to measure the change in gender balance at the highest levels of European corporates. It analyses the situations of the 200 largest Stoxx Europe 600 companies registered in nine European countries (Belgium, Czech Republic, Finland, France, Germany, Italy, Netherlands, Spain, United Kingdom).

It is based on three indicators:

- ◆ Female representation on Boards of Directors/Supervisory Boards;
- ◆ Chairwomen of Boards of Directors/Supervisory Boards;
- ◆ Female CEOs or Chairwomen of Boards of Directors.

In 2018 Hermès International ranked 16<sup>th</sup> in this classification.

Moreover, in accordance with the AFEP-MEDEF Corporate Governance Code, revised in June 2018 (§ 1.7), the duties set out in the Supervisory Board's rules of procedure were supplemented on 11 September 2018. Henceforth the Supervisory Board must ensure that the Executive Chairmen implement a non-discrimination and diversity policy in the governing bodies.

This policy was presented to the Supervisory Board in late 2018.

Profile, experience and expertise of the Executive Chairmen and of sitting members of the Executive Committee

Executive Chairmen

**AXEL DUMAS**

Direct descendant of Mr Émile-Maurice Hermès

<b>Position held</b>	Executive Co-Chairman
<b>Membership of committees of the Board</b>	n/a
<b>Date of first appointment</b>	Mr Axel Dumas was appointed Executive Chairman of Hermès International effective on 5 June 2013.
<b>Date term ends</b>	Open-ended
<b>Age in 2019 (date of birth)</b>	49 years (3 July 1970)
<b>Nationality</b>	French
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris
<b>Shares held on 31 December 2018</b>	10,418 wholly-owned and registered
<b>Summary of main areas of expertise and experience</b>	<p>Mr Axel Dumas is a graduate of the Institut d'Études Politiques de Paris and Harvard Business School (AMP 179). He also has a bachelor's degree in philosophy and a master's degree in business law. He began his career at BNP Paribas in China from 1995 to 1997 and then in the United States from 1999 to 2003.</p> <p>Mr Axel Dumas joined the Hermès Group in 2003. He served as Sales Director in France and headed up the Jewellery division from 2006 to 2008 and then the Leather Goods and Saddlery division from 2008 to 2011. He was appointed Executive Vice-President of Operations and member of the Executive Committee on 2 May 2011.</p>

**Main activities outside the Company** *none*

**Offices and positions held during 2018** in Hermès Group companies

**French companies ▲**

- ◆ **Hermès International ●**  
Executive Co-Chairman
- ◆ **Ateliers A.S. \***  
Permanent Representative of Hermès International, Director (term ended on 18/10/18)
- ◆ **Compagnie Hermès de Participations**  
Permanent Representative of Hermès International, Chairman (term ended on 12/10/2018)
- ◆ **CHP3**  
Chairman (term ended on 12/10/2018)
- ◆ **Comptoir Nouveau de la Parfumerie \***  
Permanent Representative of Hermès International, Director
- ◆ **Hermès Sellier**  
Chairman  
Executive Corporate Officer of the following divisions:
  - ◆ **Hermès Leather Goods & Saddlery,**
  - ◆ **Hermès Commercial**
  - ◆ **Hermès Silk & Textiles,**
  - ◆ **Hermès Vente aux Voyageurs – Travel Retail,**
  - ◆ **Hermès Jewellery**
  - ◆ **Hermès Men**
  - ◆ **Hermès Women**
  - ◆ **Hermès Services groupe**
  - ◆ **Hermès Distribution France**  
(term ended on 30/06/2018)
  - ◆ **Hermès Maison** (since 01/07/2018)

**Foreign companies ▲**

- ◆ **Boissy Mexico (Mexico)**  
Acting Director (term ended on 14/11/2018)
- ◆ **Faubourg Middle East (United Arab Emirates)**  
Director
- ◆ **Hermès Asia-Pacific (Hong Kong)**  
Director
- ◆ **Hermès Canada (Canada)**  
Chairman and Director (term ended on 12/10/2018)
- ◆ **Hermès China (China)**  
Chairman and Director
- ◆ **Hermès China Trading (China)**  
Chairman and Director
- ◆ **Hermès de Paris (Mexico) (Mexico)**  
Acting Director (term ended on 14/11/2018)
- ◆ **Hermès Grèce (Greece)**  
Director (term ended on 30/11/2018)
- ◆ **Hermès Ibérica (Spain)**  
Director (term ended on 14/11/2018)
- ◆ **Hermès India Retail and Distributors (India)**  
Director (term ended on 07/09/2018)
- ◆ **Hermès Japon (Japan)**  
Director
- ◆ **Hermès Korea (South Korea)**  
Chairman and Director
- ◆ **Hermès Monte-Carlo (Principality of Monaco)**  
Permanent Representative of Hermès International, Vice-Chairman, Permanent Representative of Hermès International, Director (term ended on 12/11/2018)
- ◆ **Hermès of Paris (USA)**  
Chairman and Director
- ◆ **Hermès Retail (Malaysia) (Malaysia)**  
Chairman and Director (term ended on 12/10/2018)
- ◆ **La Montre Hermès (Switzerland)**  
Director

n/a: not applicable.

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

Offices and positions held during 2018	outside Hermès Group companies	Sociétés françaises	Foreign companies ▲
		<ul style="list-style-type: none"> <li>◆ <b>L'Oréal</b> ●* Director and member of the Audit Committee (since 17/04/2018)</li> <li>◆ <b>Axam 2</b> Executive Chairman</li> <li>◆ <b>H51</b> Director</li> <li>◆ <b>Maia</b> Executive Chairman</li> <li>◆ <b>Mathel</b> Executive Chairman</li> </ul>	none
Other offices and positions held during the previous four financial years and ending before 1 January 2018		French companies ▲	Foreign companies ▲
		<ul style="list-style-type: none"> <li>◆ <b>CHP2</b> Permanent Representative of Hermès International, Chairman (term ended on 27/06/2014)</li> <li>◆ <b>Créations Métaphores</b> ▲ Permanent Representative of Hermès International, member of the Management Board (term ended on 23/06/2015)</li> <li>◆ <b>Maroquinerie de Normandie</b> ▲ Permanent Representative of Hermès International, Chairman (term ended on 07/09/2015)</li> <li>◆ <b>Motsch-George V</b> ▲ Permanent Representative of Hermès International, Chairman (term ended on 29/06/2015)</li> <li>◆ <b>SCI Boissy Les Mûriers</b> ▲ Permanent Representative of Hermès International, Executive Chairman (term ended on 31/12/2015)</li> <li>◆ <b>SCI Boissy Nontron</b> ▲ Permanent Representative of Hermès International, Executive Chairman (term ended on 21/12/2015)</li> <li>◆ <b>SCI Édouard VII</b> ▲ Permanent Representative of Hermès International, Executive Chairman (term ended on 21/12/2015)</li> <li>◆ <b>SCI Honossy</b> ▲ Permanent Representative of Hermès International, Executive Chairman (term ended on 21/12/2015)</li> <li>◆ <b>SCI Les Capucines</b> ▲ Permanent Representative of Hermès International, Executive Co-Chairman (term ended on 21/12/2015)</li> <li>◆ <b>SCI Auger-Hoche</b> ▲ Permanent Representative of Hermès International, Executive Chairman (term ended on 21/12/2015)</li> <li>◆ <b>Tannerie de Vivoin</b> ▲ Permanent Representative of Hermès International, Chairman (term ended on 30/06/2015)</li> <li>◆ <b>Castille Investissement</b> ▲ Permanent Representative of Hermès International, Chairman (term ended on 28/06/2016)</li> <li>◆ <b>Isamyol 28</b> ▲ Permanent Representative of Hermès International, Chairman (term ended on 29/06/2016)</li> <li>◆ <b>Isamyol 30</b> ▲ Permanent Representative of Hermès International, Chairman (term ended on 29/06/2016)</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Herlee</b> ▲ (<i>Hong Kong</i>) Chairman and Director (term ended on 30/06/2017)</li> <li>◆ <b>Hermès do Brasil</b> ▲ (<i>Brazil</i>) Member of the Advisory Board (term ended on 25/09/2017)</li> <li>◆ <b>Hermès Immobilier Genève</b> ▲ (<i>Switzerland</i>) Director (term ended on 10/05/2016)</li> <li>◆ <b>Hermès Australia</b> ▲ (<i>Australia</i>) Chairman of the Board of Directors and Director (term ended on 05/02/2015)</li> <li>◆ <b>Hermès Benelux Nordics</b> ▲ (<i>Belgium</i>) Director (term ended on 15/04/2015)</li> <li>◆ <b>Hermès GB</b> ▲ (<i>United Kingdom</i>) Chairman and Director (term ended on 15/04/2015)</li> <li>◆ <b>Hermès Italie</b> (<i>Italy</i>) Chairman of the Board of Directors and Director (term ended on 20/03/2015)</li> <li>◆ <b>Hermès Latin América</b> ▲ (<i>USA</i>) Director (term ended on 21/05/2015)</li> <li>◆ <b>Hermès Monte-Carlo</b> ▲ (<i>Principality of Monaco</i>) Permanent Representative of Hermès Sellier, Director (term ended on 28/04/2015)</li> <li>◆ <b>Hermès of Hawaii</b> ▲ (<i>USA</i>) Chairman and Director (term ended on 24/03/2014)</li> </ul>

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

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**Other offices and positions held during  
the previous four financial years and  
ending before 1 January 2018**

**French companies ▲**

- ◆ **Isamyol 31 ▲**  
Permanent Representative of Hermès  
International, Chairman  
(term ended on 29/06/2016)
- ◆ **Isamyol 32 ▲**  
Permanent Representative of Hermès  
International, Chairman  
(term ended on 29/06/2016)
- ◆ **Isamyol 33**  
Permanent Representative of Hermès  
International, Chairman  
(term ended on 29/06/2016)

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**Other offices and positions held during  
the previous four financial years and  
ending before 1 January 2018**

- ◆ **Hermès Horizons ▲**  
Chairman (term ended on 31/05/2016)
  - ◆ **Grafton Immobilier ▲**  
Chairman (term ended on 29/06/2015)
  - ◆ **Immobilière du 5 rue de Furstemberg**  
Permanent Representative of Hermès  
International, Chairman  
(term ended on 29/06/2015)
  - ◆ **Immobilière de la maroquinerie de Montbéliard**  
Permanent Representative of Hermès  
International, Chairman  
(term ended on 20/10/2014)
-

<b>EMILE HERMES SARL</b>	Represented by its Executive Chairman, Mr Henri-Louis Bauer		
<b>Position held</b>	Executive Co-Chairman		
<b>Membership of committees of the Board</b>	n/a		
<b>Date of first appointment</b>	<p>Émile Hermès SARL has been the Active Partner of Hermès International since 27 December 1990. Émile Hermès SARL was appointed as Executive Chairman on that date and held that office until 31 December 1994.</p> <p>On 1 April 2006, it was reappointed as Executive Chairman of Hermès International for an open-ended term.</p>		
<b>Date term ends</b>	Open-ended		
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	33,236 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	<p>Émile Hermès SARL is a <i>société à responsabilité limitée à capital variable</i> (private limited company with variable capital) under French law, whose partners are the direct descendants of Mr Émile-Maurice Hermès and his wife. Émile Hermès SARL has an Executive Management Board chaired by Mr Henri-Louis Bauer (appointed Executive Chairman on 1 July 2012), himself a direct descendant of Mr Émile-Maurice Hermès. Émile Hermès SARL's main purpose is to be the Active Partner of Hermès International. Its functioning is described on pages 329 et seq.</p> <p>It does not now hold nor has it in the past held any offices in any other company.</p>		
<b>Main activities outside the Company</b>	none		
	<b>in Hermès Group companies</b>	<b>Émile Hermès SARL</b>	<b>Mr Henri-Louis Bauer</b>
		<p><b>French companies</b> ▲</p> <p>◆ <b>Hermès International</b> ● Active Partner and Executive Co-Chairman</p>	<p>Direct descendant of Émile-Maurice Hermès</p> <p><b>French companies</b> ▲</p> <p>none</p>
		<p><b>Foreign companies</b> ▲</p> <p>none</p>	<p><b>Foreign companies</b> ▲</p> <p>none</p>
<b>Offices and positions held during 2018</b>	<b>outside Hermès Group companies</b>	<p><b>French companies</b></p> <p>none</p> <p><b>Foreign companies</b></p> <p>none</p>	<p><b>French companies</b></p> <p>◆ <b>Émile Hermès SARL</b> Executive Chairman and Chairman of the Executive Management Board</p> <p>◆ <b>Aucleris 2</b> Executive Chairman</p> <p>◆ <b>H2</b> Director</p> <p>◆ <b>H51</b> Director</p> <p>◆ <b>Sabarots</b> Executive Chairman</p> <p>◆ <b>Samain B2</b> Executive Chairman</p> <p>◆ <b>SIFAH</b> Director (since 10/12/2018)</p> <p><b>French companies</b></p> <p>none</p>
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>		<p><b>French companies</b></p> <p>none</p> <p><b>Foreign companies</b></p> <p>none</p>	<p><b>French companies</b></p> <p>◆ <b>Aucleris</b> Manager (term ended on 27/12/2015)</p> <p><b>Foreign companies</b></p> <p>none</p>

n/a: not applicable.

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

## Executive Committee

The role and a brief presentation of the Executive Committee is provided on page 140.

Name Personal details: Age in 2019 Date of birth Nationality	Date appointed to the Executive Committee	Education	Positions held in the Hermès Group (date of appointment)	Other positions
♦ <b>Axel Dumas</b> 49 years 03/07/1970 French	02/05/2011	See page 143		
♦ <b>Florian Craen</b> 49 years 31/10/1970 French	01/09/2013	École Supérieure du Commerce Extérieur de Paris (1992)  Harvard Business School (AMP 184)	Executive Vice President Sales & Distribution of Hermès International (since 1 September 2013)  Executive Vice President Hermès North Asia (2009)  Executive Vice President Hermès United Kingdom (2006)  Director Hermès International Travel Retail (2001)	
♦ <b>Charlotte David</b> 44 years 28/03/1975 French	12/10/2015	ESSEC (1997)	Executive Vice President Communication (since 12 October 2015)	
♦ <b>Pierre-Alexis Dumas</b> 53 years 04/06/1966 French	01/10/2005	Graduate in visual arts from Brown University (1991)	Artistic Executive Vice President (since 1 October 2005)	Chairman of the Fondation d'entre- prise d'Hermès (from 2008 to 2016)  Chairman of Arts Décoratifs (since 1 January 2016)
♦ <b>Olivier Fournier</b> 58 years 10/07/1961 French	01/06/2015	EM Lyon (1983)  Graduate degree in accounting and finance	Executive Vice President Governance and Organisational Development, Hermès International (2015)  Executive Vice President Hermès Sellier craftsmanship division (2008)  Executive Vice President Holding Textile Hermès (2001)  Executive Vice President Bucol (1998)  Executive Vice President Sport Soie (1994)  Director of Internal Audit and Taxation of Hermès International (1991)	Chairman of the Fondation d'entreprise d'Hermès (since 8 February 2016)
♦ <b>Catherine Fulconis</b> 58 years 01/09/1961 French	01/04/2019	HEC School of Management (1983)	Executive Vice President Leather Goods- Saddlery (which also includes the Hermès Horizons and Equestrian métiers) and Petit h métiers (since 1 April 2019)  CEO of Hermès Leather Goods & Saddlery and Chairwoman of the Board of Directors of Hermès Parfums (2015)  Chairwoman and CEO of Hermès Parfums (2010)  CEO and Chairwoman of the Management Board of Hermès Parfums (2006)	Director and Chairwoman of Rallye's Compensation and Appointments Committee (since 13/05/2014)

Name Personal details: Age in 2019 Date of birth Nationality	Date appointed to the Executive Committee	Education	Positions held in the Hermès Group (date of appointment)	Other positions
<p>♦ <b>Wilfried Guerrand</b> 48 years 01/02/1971 French</p>	01/07/2014	<p>Neoma Business School (1993, Rouen)  MBA from London School of Economics, NYU Stern and HEC (2011, TRIUM)</p>	<p>Executive Vice President of the <i>Métiers</i> (Hermès Woman, Hermès Men, Hermès Jewellery, Hermès Silk and Textiles, and Hermès Home), Information Systems and Data (since 1 April 2019)  Executive Vice President of Digital Projects and E-commerce of Hermès International (2014)  Executive Vice President of Hermès Woman (2012)  Executive Vice President Europe Hermès International (2009)  Group Director of Sales Hermès International (2007)  Executive Vice President Hermès France for Hermès Sellier (2004)  Director of Industrial Development Hermès International (2002)  Advisor to the Chairman Hermès Sellier (1999)  Financial Controller for Hermès Sellier (1995)</p>	
<p>♦ <b>Éric du Halgouët</b> 56 years 14/03/1963 French</p>	01/06/2015	<p>Neoma Business School (1986, Rouen)  Graduate degree in accounting and finance</p>	<p>Executive Vice President Finance of Hermès International (2015)  Group Financial Director (2007)  Director of consolidation and financial control (2006)</p>	
<p>♦ <b>Guillaume de Seynes</b> 62 years 14/10/1957 French</p>	01/01/2005	<p>Graduate in law and political science Paris (1978) and an ESSEC graduate (1982)</p>	<p>Executive Vice President Hermès International, Manufacturing &amp; Equity Investments (since 2 May 2011)  Chairman of John Lobb (2007)  Deputy Managing Director Hermès International (2006)  Executive Vice President <i>Métiers</i> d'Hermès Sellier (2004)  Executive Vice President of La Montre Hermès (1999)  Director of Sales and Marketing of La Montre Hermès (1997)</p>	<p>Chairman of Comité Colbert (since 10 June 2016)  Chairman of the European Cultural and Creative Industries Alliance (2016-2017)  Chairman of the Chambre syndicale du prêt-à-porter des couturiers et des créateurs de mode (2008-2012)  Chairman of the Strategic Committee, Mode et Luxe sector (since 2018)</p>

### 3.1.4 SUPERVISORY BOARD: COMPOSITION AND CONDITIONS GOVERNING THE PREPARATION AND ORGANISATION OF WORK

#### 3.1.4.1 Changes in the composition of the Supervisory Board over the year

The General Meeting of 5 June 2018:

- reappointed Ms Olympia Guerrand and Messrs Matthieu Dumas and Blaise Guerrand to the Supervisory Board for a period of three years expiring at the end of the Annual Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2020;

- reappointed Mr Robert Peugeot to the Supervisory Board for a period of one year expiring at the end of the Annual Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2018 (see objectives set in 2019 on page 173).

The Supervisory Board of 5 June 2018 renewed the composition of the Audit and Risk Committee and CAG-CSR Committee, without any change (see page 183).

#### SUMMARY OF CHANGES IN THE COMPOSITION OF THE SUPERVISORY BOARD OVER THE YEAR

	Departures	Appointments	Renewals (date)	Changes in terms of diversification (representation of women, nationality or experience) or change with respect to corporate governance
Supervisory Board			Ms Olympia Guerrand (05/06/2018) Mr Matthieu Dumas (05/06/2018) Mr Blaise Guerrand (05/06/2018) Mr Robert Peugeot (05/06/2018)	

Table of changes in the composition of Specialised committees of the Supervisory Board are set out on page 183.

#### 3.1.4.2 Succession plan for the Chairman of the Supervisory Board

Early in 2018, the CAG-CSR Committee conducted its review of the succession plan for the Chairman of the Supervisory Board and deemed it of good quality and suitable for the needs of the Company.

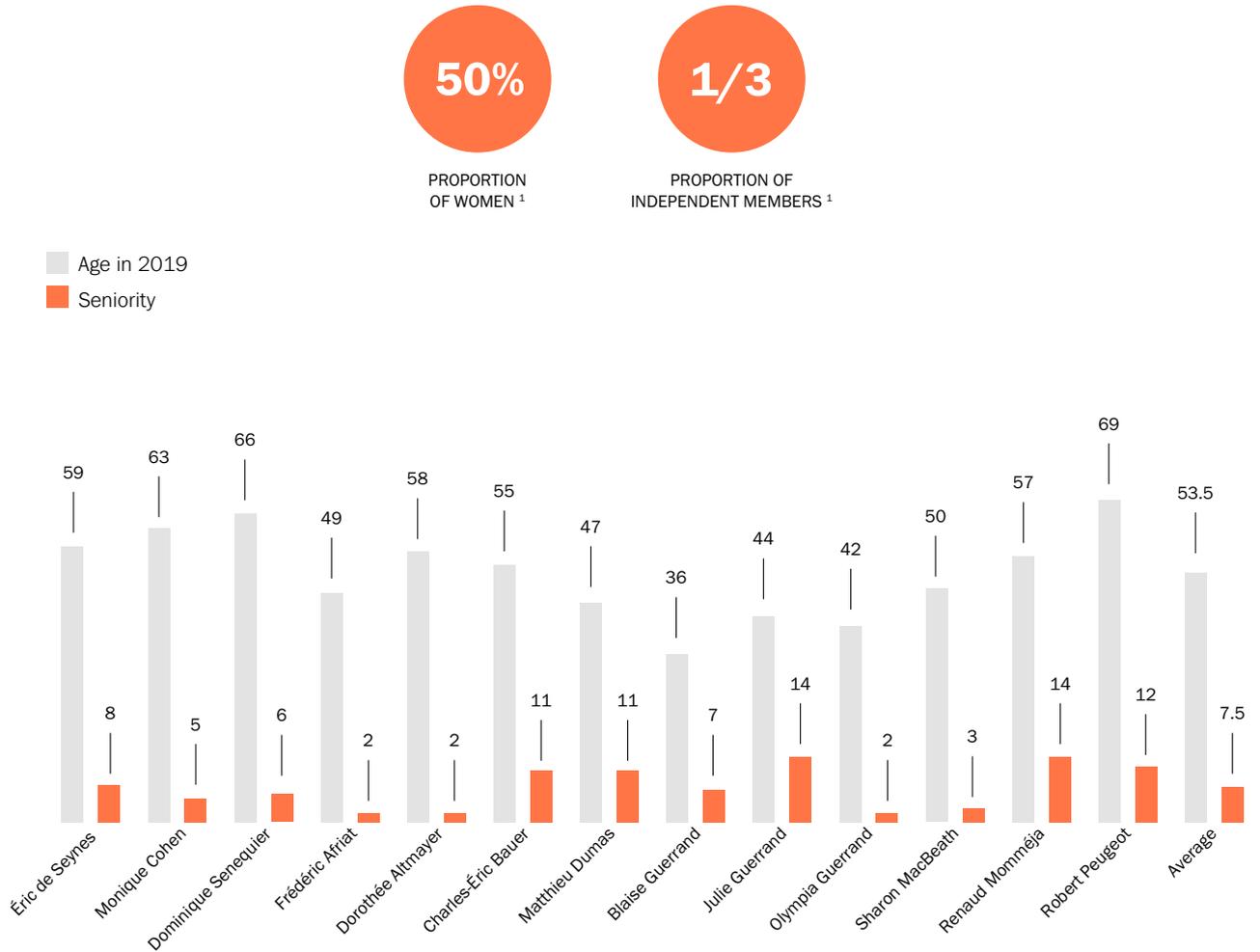
This succession plan covers:

- temporary interim succession (temporary absence of the Chairman, e.g. due to illness or accident);
- unplanned succession (permanent impairment, death or resignation of the Chairman in the short or medium term);
- normal succession (medium and long term).

In early 2019 the CAG-CSR Committee acknowledged the written memo drafted and signed by Mr Eric de Seynes and confirmed that this succession plan, which remains unchanged, for the Chairman of the Supervisory Board is deemed of good quality and suitable for the needs of the Company.

The succession plan for the Chairman of the Supervisory Board was co-signed by Ms Dominique Senequier then placed in two sealed envelopes, one of which was handed to the Chairwoman of the CAG-CSR Committee and the other to the legal department.

3.1.4.3 Summary presentation of the members of the Supervisory Board as of 31 December 2018



MAIN AREAS OF EXPERTISE AND EXPERIENCE OF BOARD MEMBERS <sup>1</sup>



(1) Excluding the employee representative on the Supervisory Board.

(2) Based on annual declarations by members of the Board.

**SITTING MEMBERS AS AT 31/12/2018**

Name	Personal details			Experience			Position on the board			Membership of committees of the board
	Age in 2019 Date of birth	Gender	Nationality	Number of shares (direct holding)	Number of offices in listed companies other than the Company	Independence	Date of first appointment	Date term ends	Length of service	
Éric de Seynes (Chairman)	59 years 09/06/1960	M	French	203			07/06/2010 03/03/2011 (Chairman)	2020 GM	8 years	
Monique Cohen (Vice-Chairwoman)	63 years 28/01/1956	F	French	250	2 BNP Paribas Safran	√	03/06/2014	2020 GM	5 years	Audit and Risk Committee (Chairwoman)
Dominique Senequier (Vice-Chairwoman)	66 years 21/08/1953	F	French	200		√	04/06/2013	2019 GM	6 years	CAG-CSR Committee (Chairwoman)
Frédéric Afriat (Employee representative)	49 years 10/09/1970	M	French	90			08/11/2016	08/11/2019	2 years	
Dorothee Altmayer	58 years 01/03/1961	F	French	200			06/06/2017	2020 GM	2 years	
Charles-Éric Bauer	55 years 09/01/1964	M	French	73,648			03/06/2008	2019 GM	11 years	Audit and Risk Committee
Matthieu Dumas	47 years 06/12/1972	M	French	213			03/06/2008	2021 GM	11 years	CAG-CSR Committee
Blaise Guerrand	36 years 04/06/1983	M	French	200			29/05/2012	2021 GM	7 years	
Julie Guerrand	44 years 26/02/1975	F	French	5,825			02/06/2005	2019 GM	14 years	
Olympia Guerrand	42 years 07/10/1977	F	French/ Portuguese	306,312			06/06/2017	2021 GM	2 years	
Sharon MacBeath	50 years 30/03/1969	F	British	200	1 Coface	√	31/05/2016	2019 GM	3 years	Audit and Risk Committee CAG-CSR Committee
Renaud Momméja	57 years 20/03/1962	M	French	175,132			02/06/2005	2020 GM	14 years	Audit and Risk Committee
Robert Peugeot	69 years 25/04/1950	M	French	200	6 <sup>1</sup> DKSH (Switzerland) Faurecia FFP PSA Peugeot Citroën Safran Sofina	√	24/01/2007	2019 GM	12 years	Audit and Risk Committee CAG-CSR Committee

**MEMBERS PROPOSED FOR APPOINTMENT AT THE GENERAL MEETING OF 4 JUNE 2019**

On the publication date of this Registration Document, the Board, in conjunction with the CAG-CSR Committee, is continuing its selection process that will enable it to propose, at the General Meeting to be held on 4 June 2019, the appointment of two new independent members to replace Mr Robert Peugeot and Ms Sharon MacBeath.

(1) Robert Peugeot holds six other offices in listed companies but five of them are held pursuant to his position as Chairman and CEO of FFP whose chief business is the acquisition and management of such equity investments.

### 3.1.4.4 Composition of the Supervisory Board

#### Applicable principles

The Supervisory Board comprises three to 15 members (not including employee representatives) selected from among shareholders who are neither an Active Partner nor the legal representative of an Active Partner nor an Executive Chairman (Article 18.1 of the Articles of Association). They are appointed by the Ordinary General Meeting (Article L. 226-4 of the French Commercial Code).

When appointments to the Supervisory Board come up for renewal, the number of Supervisory Board members is set by a decision adopted by the Active Partner.

A member of the Supervisory Board representing the Group's employees (or two if the Supervisory Board has more than 13 members) is designated by the Group works council (Article 18.6 of the Articles of Association). Pursuant to paragraph 3 of Article L. 225-79-2 II of the French Commercial Code (*Code de commerce*), when two members are appointed, the Group Committee appoints one woman and one man.

The term of office of the members of the Supervisory Board is three years (Article 18.2 of the Articles of Association).

This duration may be less:

- ◆ at the time of first appointment, in accordance with the principle of replacing one-third of the Supervisory Board, as set out in Article 18.2 of the Articles of Association;
- ◆ if there is a renewal, in accordance with the rules relative to the duration of the term of office for independent members or to the age limit.

After the General Meeting of 2 June 2009, the Company instituted the practice of replacing one-third of Supervisory Board members each year.

No person over the age of 75 may be appointed to the Supervisory Board if their appointment has the effect of bringing more than one-third of Board members over that age (Article 18.3 of the Articles of Association).

The Supervisory Board elects a Chairman (a natural person) and two Vice-Chairmen from among its members (Article 19.2 of the Articles of Association).

#### Role and composition of the Supervisory Board at 31 December 2018

At 31 December 2018, the Supervisory Board comprised 13 members: Mr Éric de Seynes, Chairman, Ms Monique Cohen and Ms Dominique Senequier, Vice-Chairwomen, Mr Frédéric Afriat (employee representative), Ms Dorothee Altmayer, Mr Charles-Éric Bauer, Mr Matthieu Dumas, Mr Blaise Guerrand, Ms Julie Guerrand, Ms Olympia Guerrand, Ms Sharon MacBeath, Mr Renaud Momméja and Mr Robert Peugeot. All the Supervisory Board members are French except Ms Sharon MacBeath, who is British. Ms Olympia Guerrand is a dual French and Portuguese national.

#### Changes to the Board after 31 December 2018

Mr Robert Peugeot had served in his post for 12 years on 24 January 2019 and accordingly lost his capacity as an independent member of the Board under the criteria of the AFEP-MEDEF Corporate Governance Code. His appointment was renewed by the General Meeting of 5 June 2018 for a period of one year so as to replace him in the best possible conditions with a new member of the Supervisory Board having independent status at the 2019 General Meeting. The Supervisory Board deemed it better to have a slightly lower proportion of independent members on the Board than that required by the AFEP-MEDEF Code for a few months rather than to waive one of the independence criteria with regard to Mr Robert Peugeot.

Ms Sharon MacBeath resigned from her post as a member of the Supervisory Board as of 20 March 2019 for personal reasons.

On the publication date of this Registration Document, the Board, in conjunction with the CAG-CSR Committee, is continuing its selection process that will enable it to propose, at the General Meeting to be held on 4 June 2019, the appointment of two new independent members to replace Mr Robert Peugeot and Ms Sharon MacBeath.

Ms Nathalie Besombes, Corporate Law and Stock exchange regulations Director and Securities Compliance Officer, is the Supervisory Board Secretary.

Role	Composition at 31/12/2018																																							
<p>The Supervisory Board exercises ongoing control over the Company's management. For this purpose, it has the same powers as the Statutory Auditors and receives the same documents that they do, at the same time. In addition, the Executive Management must submit a detailed report to the Supervisory Board on the Company's operations at least once a year.</p> <p>The Supervisory Board submits to the Active Partner its reasoned opinion:</p> <ul style="list-style-type: none"> <li>◆ on the nomination and dismissal of any Executive Chairman of the Company; and</li> <li>◆ in case of the Executive Chairman's resignation, on reducing the notice period.</li> </ul> <p>The Supervisory Board:</p> <ul style="list-style-type: none"> <li>◆ determines the allocation of earnings to be put to the General Meeting each year;</li> <li>◆ approves or rejects any proposed new wording of certain clauses of the Articles of Association of Émile Hermès SARL.</li> </ul> <p>The Active Partner must consult the Supervisory Board prior to making any decisions on the following:</p> <ul style="list-style-type: none"> <li>◆ strategic options;</li> <li>◆ consolidated operating and investment budgets; and</li> <li>◆ proposals to the General Meeting pertaining to the appropriation of share premiums, reserves or retained earnings.</li> </ul> <p>Every year the Supervisory Board presents to the Annual Ordinary General Meeting of shareholders a report (see page 393) in which it comments on the Company's management and draws attention to any inconsistencies or inaccuracies identified in the financial statements for the year.</p> <p>The functions exercised by the Supervisory Board do not entail any interference with the Executive Management, or any liability arising from the management's actions or from the results of such actions.</p>	<p><b>Supervisory Board</b></p> <p>The Company is governed by a Supervisory Board which comprised thirteen members selected from among shareholders who are neither an Active Partner nor the legal representative of an Active Partner nor an Executive Chairman. In accordance with Article L. 225-79-2 of the French Commercial Code, the Group works council has, since 19 November 2014, appointed an employee representative to the Supervisory Board.</p> <table border="1"> <tr> <td>◆ <b>Éric de Seynes</b></td> <td>Chairman and member of the Supervisory Board</td> </tr> <tr> <td>◆ <b>Monique Cohen</b></td> <td>Vice-Chairwoman and member of the Supervisory Board</td> </tr> <tr> <td>◆ <b>Dominique Senequier</b></td> <td>Vice-Chairwoman and member of the Supervisory Board</td> </tr> <tr> <td>◆ <b>Frédéric Afriat</b> (Employee representative)</td> <td>Other members of the Supervisory Board</td> </tr> <tr> <td>◆ <b>Dorothee Altmayer</b></td> <td></td> </tr> <tr> <td>◆ <b>Charles-Éric Bauer</b></td> <td></td> </tr> <tr> <td>◆ <b>Matthieu Dumas</b></td> <td></td> </tr> <tr> <td>◆ <b>Blaise Guerrand</b></td> <td></td> </tr> <tr> <td>◆ <b>Julie Guerrand</b></td> <td></td> </tr> <tr> <td>◆ <b>Olympia Guerrand</b></td> <td></td> </tr> <tr> <td>◆ <b>Sharon MacBeath</b></td> <td></td> </tr> <tr> <td>◆ <b>Renaud Momméja</b></td> <td></td> </tr> <tr> <td>◆ <b>Robert Peugeot</b></td> <td></td> </tr> </table> <p><b>Audit and Risk Committee</b></p> <table border="1"> <tr> <td>◆ <b>Monique Cohen</b></td> <td>Chairwoman of the Audit and Risk Committee</td> </tr> <tr> <td>◆ <b>Charles-Éric Bauer</b></td> <td rowspan="4">Audit and Risk Committee members</td> </tr> <tr> <td>◆ <b>Sharon MacBeath</b></td> </tr> <tr> <td>◆ <b>Renaud Momméja</b></td> </tr> <tr> <td>◆ <b>Robert Peugeot</b></td> </tr> </table> <p><b>CAG-CSR Committee</b></p> <table border="1"> <tr> <td>◆ <b>Dominique Senequier</b></td> <td>Chairwoman of the CAG-CSR Committee</td> </tr> <tr> <td>◆ <b>Matthieu Dumas</b></td> <td rowspan="3">Members of the CAG-CSR Committee</td> </tr> <tr> <td>◆ <b>Sharon MacBeath</b></td> </tr> <tr> <td>◆ <b>Robert Peugeot</b></td> </tr> </table>	◆ <b>Éric de Seynes</b>	Chairman and member of the Supervisory Board	◆ <b>Monique Cohen</b>	Vice-Chairwoman and member of the Supervisory Board	◆ <b>Dominique Senequier</b>	Vice-Chairwoman and member of the Supervisory Board	◆ <b>Frédéric Afriat</b> (Employee representative)	Other members of the Supervisory Board	◆ <b>Dorothee Altmayer</b>		◆ <b>Charles-Éric Bauer</b>		◆ <b>Matthieu Dumas</b>		◆ <b>Blaise Guerrand</b>		◆ <b>Julie Guerrand</b>		◆ <b>Olympia Guerrand</b>		◆ <b>Sharon MacBeath</b>		◆ <b>Renaud Momméja</b>		◆ <b>Robert Peugeot</b>		◆ <b>Monique Cohen</b>	Chairwoman of the Audit and Risk Committee	◆ <b>Charles-Éric Bauer</b>	Audit and Risk Committee members	◆ <b>Sharon MacBeath</b>	◆ <b>Renaud Momméja</b>	◆ <b>Robert Peugeot</b>	◆ <b>Dominique Senequier</b>	Chairwoman of the CAG-CSR Committee	◆ <b>Matthieu Dumas</b>	Members of the CAG-CSR Committee	◆ <b>Sharon MacBeath</b>	◆ <b>Robert Peugeot</b>
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## Information on sitting members of the Supervisory Board

<b>ERIC DE SEYNES</b>	Direct descendant of Mr Émile-Maurice Hermès		
<b>Position held</b>	Chairman and member of the Supervisory Board of Hermès International		
<b>Membership of committees of the Board</b>	n/a		
<b>Date of first appointment</b>	Mr Éric de Seynes has been a member of the Supervisory Board since 7 June 2010. He previously held this office from 2005 until 2008. He was also a member of the Audit and Risk Committee from 2005 to 2008 and of the Executive Management Board of Émile Hermès SARL from 2008 to 2010. On 3 March 2011 he was appointed Chairman of the Supervisory Board.		
<b>Date term ends</b>	2020 GM		
<b>Age in 2019 (date of birth)</b>	59 years (9 June 1960)		
<b>Nationality</b>	French		
<b>Adress</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	203 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	Mr Éric de Seynes is a graduate of the École Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA) with a specialisation in marketing. Until 2017 he was successively Head of Marketing for Mobil Oil Française, Director of Sponsoring for Seita, Marketing Director for Sonauto-Yamaha, Director of Marketing and Sales for Yamaha Motor France, Chairman of Groupe option, Chairman and CEO of Yamaha Motor France, Operational Director of Yamaha Motor Europe, and Chief Operating Officer of Yamaha Motor Europe. He has been Chief Executive Officer of Yamaha Motor Europe since 1 January 2018, Executive Officer of Yamaha Motor Co. Ltd (Japan) since 2016 and a member of the Executive Committee of the European Association of Motorcycle Manufacturers since 2014.		
<b>Main activities outside the Company</b>	Chairman and Chief Executive Officer of Yamaha Motor Europe		
<b>Offices and positions held during 2018</b>	<b>in Hermès Group companies</b>	<b>French companies</b> ▲	<b>Foreign companies</b> ▲
	<b>outside Hermès Group companies</b>	<ul style="list-style-type: none"> <li>◆ <b>Hermès International</b> ● Chairman and member of the Supervisory Board</li> <li>◆ <b>Hermès Sellier</b> Member of the Management Board</li> </ul>	<ul style="list-style-type: none"> <li>◆ <i>none</i></li> </ul>
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>	<b>in Hermès Group companies</b>	<b>French companies</b>	<b>Foreign companies</b>
	<b>outside Hermès Group companies</b>	<ul style="list-style-type: none"> <li>◆ <b>H51</b> Director</li> <li>◆ <b>Groupe option SAS</b> Chairman</li> <li>◆ <b>Les Producteurs SA *</b> Director</li> <li>◆ <b>MBK</b> Director</li> <li>◆ <b>Sféric SAS</b> Chairman</li> <li>◆ <b>Yamaha Motor France Finance SAS</b> Director (since 01/12/2018)</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Inha Works Limited (Finland)</b> Director</li> <li>◆ <b>Motori Minarelli (Italy)</b> Director</li> <li>◆ <b>Yamaha Motor Europe NV (Netherlands)</b> Chairman of the Supervisory Board (since 01/12/2018)</li> </ul>
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>	<b>in Hermès Group companies</b>	<b>French companies</b>	<b>Foreign companies</b>
	<b>outside Hermès Group companies</b>	<ul style="list-style-type: none"> <li>◆ <b>C.S.I.A.M</b> Co-Chairman (term ended on 16/11/2017)</li> <li>◆ <b>Brame et Lorenceau</b> Director (term ended on 31/12/2015)</li> <li>◆ <b>Naturéo Finance SAS</b> Member of the Management Board (term ended on 31/12/2015)</li> <li>◆ <b>Yamaha Motor France (France)</b> Director, and Chairman and Chief Executive Officer (term ended on 01/02/2015)</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Yamaha Motor Turkey (Turkey)</b> Director (term ended on 31/12/2015)</li> </ul>

n/a: not applicable.

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

## MONIQUE COHEN

<b>Position held</b>	Vice-Chairwoman and member of the Supervisory Board of Hermès International. Independent Board member		
<b>Membership of committees of the Board</b>	Chairwoman of the Audit and Risk Committee of Hermès International		
<b>Date of first appointment</b>	Ms Monique Cohen is an independent member of the Supervisory Board and Chairwoman of the Audit and Risk Committee since 3 June 2014.		
<b>Date term ends</b>	2020 GM		
<b>Age in 2019 (date of birth)</b>	63 years (28 January 1956)		
<b>Nationality</b>	French		
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	250 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	<p>Ms Monique Cohen is a graduate of the École Polytechnique (X76), and holds a Master's degree in mathematics and a degree in business law.</p> <p>She began her career in 1979 at Paribas as a senior banker, then as the worldwide manager for equity-related <i>métiers</i>. Since 2000 she has been a partner at Apax Partners, in charge of investments in business services, financial services and healthcare.</p> <p>Ms Monique Cohen is a Lead Independent Director of the Safran group. She was appointed to the Board of Directors of BNP Paribas on 12 February 2014. Until September 2014 she sat on the Board of the Financial Markets Authority.</p>		
<b>Main activities outside the Company</b>	Partner at Apax Partners in charge of investments in business services, financial services and healthcare		
<b>Offices and positions held during 2018</b>	<b>in Hermès Group companies</b>	<b>French companies ▲</b> <ul style="list-style-type: none"> <li>◆ <b>Hermès International ●</b> Vice-Chairwoman and member of the Supervisory Board, Chairwoman of the Audit and Risk Committee</li> </ul>	<b>Foreign companies ▲</b> <i>none</i>
	<b>outside Hermès Group companies</b>	<b>French companies</b> <ul style="list-style-type: none"> <li>◆ <b>Apax Partners MidMarket</b> Director</li> <li>◆ <b>BNP Paribas ● *</b> Director Chairwoman of the Appointments Committee (since 24/05/2018)</li> <li>◆ <b>Safran ● *</b> Lead Independent Director (since 22/03/2018) and Chairwoman of the Compensation and Appointments Committee</li> <li>◆ <b>SC Fabadari</b> Partner</li> <li>◆ <b>Trocadéro Participations</b> Chairwoman and Supervisory Board member</li> </ul>	<b>Foreign companies</b> <ul style="list-style-type: none"> <li>◆ <b>Proxima Investissement (Luxembourg)</b> Chairwoman of the Board of Directors and Director</li> </ul>
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>	<b>French companies</b> <ul style="list-style-type: none"> <li>◆ <b>Global Project SAS</b> Member of the Supervisory Board (term ended on 15/09/2017)</li> <li>◆ <b>JC Decaux ●</b> Member of the Supervisory Board (term ended on 11/05/2017)</li> <li>◆ <b>Trocadéro Participations II</b> Chairwoman (term ended on 26/07/2016)</li> <li>◆ <b>Altamir Gérance</b> Deputy Chief Executive Officer (term ended on 04/05/2015)</li> <li>◆ <b>Financière MidMarket</b> Director (term ended on 12/12/2014)</li> <li>◆ <b>Société de Financement Local</b> Director (term ended on 04/06/2014)</li> <li>◆ <b>Altran Technologies</b> Director (term ended on 12/03/2014)</li> </ul>	<b>Foreign companies</b> <ul style="list-style-type: none"> <li>◆ <b>Buy Way Personal Finance Belgium (Belgium)</b> Director (term ended on 03/04/2014)</li> <li>◆ <b>Buy Way Tech (Belgium)</b> Director (term ended on 03/04/2014)</li> <li>◆ <b>Wallet Investment I (Belgium)</b> Chairwoman of the Board of Directors and Director (term ended on 03/04/2014)</li> <li>◆ <b>Wallet Investment II (Belgium)</b> Chairwoman of the Board of Directors and Director (term ended on 03/04/2014)</li> </ul>	

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## DOMINIQUE SENEQUIER

<b>Position held</b>	Vice-Chairwoman and member of the Supervisory Board of Hermès International. Independent Board member		
<b>Membership of committees of the Board</b>	Chairwoman of the CAG-CSR Committee of Hermès International		
<b>Date of first appointment</b>	Ms Dominique Senequier is an independent member of the Supervisory Board and the Chairwoman of the CAG-CSR Committee since 4 June 2013		
<b>Date term ends</b>	2019 GM		
<b>Age in 2019 (date of birth)</b>	66 years (21 August 1953)		
<b>Nationality</b>	French		
<b>Adress</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	200 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	Ms Dominique Senequier is a graduate of the École Polytechnique (X72) and holds a postgraduate diploma (DEA) in Currency Banking Finance from the Sorbonne University. She began her career at Gan (1980) where she started up and developed the subsidiary Gan Participations, after being Acquisitions Manager for the group and spending five years in the insurance inspectorate. In 1996, she joined the Axa group and founded Axa Private Equity. At the end of 2013, Axa Private Equity became the Ardian Group, of which she is currently Chairwoman.		
<b>Main activities outside the Company</b>	Chairwoman of the Ardian Group		
<b>Offices and positions held during 2018</b>	<b>in Hermès Group companies</b>	<b>French companies ▲</b> ◆ <b>Hermès International ●</b> Vice-Chairwoman and member of the Supervisory Board, Chairwoman of the CAG-CSR Committee	<b>Foreign companies ▲</b> <i>none</i>
	<b>outside Hermès Group companies</b>	<b>French companies</b> ◆ <b>Ardian Holding</b> Permanent Representative of Senus SAS, Chairwoman ◆ <b>SCI 30 rue Jacob SCI</b> Executive Chairwoman ◆ <b>Senus SAS</b> Chairwoman ◆ <b>Théâtre des Champs-Élysées SA *</b> Director ◆ <b>Ydra SAS</b> Chairwoman	<b>Foreign companies</b> ◆ <b>Ardian Investment Singapore Pte Ltd (Singapore)</b> Member of the Board of Directors ◆ <b>Ardian Investment Switzerland AG (Switzerland)</b> Chairwoman of the Board of Directors ◆ <b>Ardian Investment Switzerland Holding AG (Switzerland)</b> Chairwoman of the Board of Directors ◆ <b>Ardian Investment UK Ltd (United Kingdom)</b> Member of the Board of Directors, member of the ASF V, AESF V and ASF VI Committees ◆ <b>Ardian US LLC (USA)</b> Chairwoman of the Supervisory Board, member of the Investment Committees ASF III-2, AESF III-2, AESF IV and ANAF II ◆ <b>Ardian Beijing Consulting Limited Company LLC (China)</b> Member of the Board of Directors ◆ <b>Escouf Properties Corp. (USA)</b> Chairwoman ◆ <b>Seneq SA (Belgium)</b> Director
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>	<b>French companies</b> ◆ <b>Ardian SA</b> Chairwoman of the Management Board (term ended on 24/06/2014) ◆ <b>Ardian France SA</b> Chairwoman of the Supervisory Board (term ended on 07/07/2015) Chairwoman of the Management Board (term ended on 08/04/2014) ◆ <b>AXA Infrastructure Investissement SAS</b> Chairwoman, member of the Management Board and of the Coordination Committee (term ended on 27/05/2014)	<b>Foreign companies</b> ◆ <b>Ardian Germany GmbH (Germany)</b> Chairwoman of the Supervisory Board (term ended on 07/07/2015) ◆ <b>Ardian Italy Srl (Italy)</b> Chairwoman of the Board of Directors (term ended on 02/06/2014) ◆ <b>Compagnie Industriale Reunite SpA (Italy)</b> Member of the Board of Directors (term ended on 30/06/2014)	

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

## FREDERIC AFRIAT

<b>Position held</b>	Employee representative member of the Supervisory Board of Hermès International.		
<b>Membership of committees of the Board</b>	n/a		
<b>Date of first appointment</b>	Mr Frédéric Afriat was appointed by the Group works council to the Supervisory Board as an employee representative on and with effect from 8 November 2016.		
<b>Date term ends</b>	8 November 2019		
<b>Age in 2019 (date of birth)</b>	49 years (10 September 1970)		
<b>Nationality</b>	French		
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	90 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	<p>Mr Frédéric Afriat holds an accounting certificate (BTS) as well as an accounting degree (DECF) and has 26 years' experience in the accounting profession with various firms such as Roche Bobois, McDonald's France and Bouygues Construction.</p> <p>Chief accountant for ten years at Comptoir Nouveau de la Parfumerie (Hermès Parfums), he deals with the company's accounting, tax, social and budgetary aspects on a day-to-day basis. Prior to his appointment to the Supervisory Board, he was employee representative for two terms of office: elected as a member of the works council, staff representative at Comptoir Nouveau de la Parfumerie (Hermès Parfums) and staff representative on the Group works council.</p>		
<b>Main activities outside the Company</b>	none		
<b>Offices and positions held during 2018</b>	<b>in Hermès Group companies</b>	<b>French companies ▲</b> ♦ <b>Hermès International ●</b> Employee representative on the Supervisory Board ♦ <b>Comptoir Nouveau de la Parfumerie</b> Chief accountant	<b>Foreign companies ▲</b>  none
	<b>outside Hermès Group companies</b>	<b>French companies</b>  none	<b>Foreign companies</b>  none
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>	<b>French companies</b>  none	<b>Foreign companies</b>  none	

n/a: not applicable.

<b>DOROTHEE ALTMAYER</b>	Direct descendant of Mr Émile-Maurice Hermès		
<b>Position held</b>	Member of the Hermès International Supervisory Board		
<b>Membership of committees of the Board</b>	n/a		
<b>Date of first appointment</b>	Ms Dorothée Altmayer has been a member of the Supervisory Board since 6 June 2017.		
<b>Date term ends</b>	2020 GM		
<b>Age in 2019 (date of birth)</b>	58 years (1 March 1961)		
<b>Nationality</b>	French		
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	200 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	<p>Ms Dorothée Altmayer holds a degree in clinical psychology from the École de psychologues praticiens (EPP/Psychoprat) (1984), a diploma in graphology from the Société française de graphologie (1987) and a diploma in plastic arts mediation psychotherapy (2006).</p> <p>She first worked as a recruitment and outplacement consultant at International Business Drive (ALGOE EXECUTIVE Group). Since 2000 she has been a practising clinical psychologist.</p> <p>She has held temporary positions at the Hôpital Necker, the «<i>Main dans la main</i>» association, the Institut Mutualiste Montsouris (day hospital for adolescents) and the Centre Recherches et Rencontres.</p> <p>Since 2007 she has run her own private practice, specialising in parent-child interviews, psychological assessments and individual art therapy sessions for children.</p>		
<b>Main activities outside the Company</b>	Clinical psychology specialising in parent-child interviews, psychological assessments and individual art therapy sessions for children.		
<b>Offices and positions held during 2018</b>	<b>in Hermès Group companies</b>	<p><b>French companies ▲</b></p> <ul style="list-style-type: none"> <li>◆ <b>Hermès International ●</b> Member of the Supervisory Board</li> <li>◆ <b>Comptoir Nouveau de la Parfumerie *</b> Director</li> </ul>	<p><b>Foreign companies ▲</b></p> <p>none</p>
	<b>outside Hermès Group companies</b>	<p><b>French companies</b></p> <ul style="list-style-type: none"> <li>◆ <b>H2</b> Director</li> <li>◆ <b>Alvila</b> Executive Chairwoman</li> <li>◆ <b>Alvila Immobilier</b> Executive Chairwoman</li> </ul>	<p><b>Foreign companies</b></p> <p>none</p>
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>	<p><b>French companies</b></p> <ul style="list-style-type: none"> <li>◆ <b>Hermès Sellier</b> Member of the Management Board (term ended on 12/09/2017)</li> </ul>	<p><b>Foreign companies</b></p> <p>none</p>	

n/a: not applicable.

## CHARLES-ERIC BAUER

Direct descendant of Mr Émile-Maurice Hermès

<b>Position held</b>	Member of the Hermès International Supervisory Board		
<b>Membership of committees of the Board</b>	Member of the Audit and Risk Committee of Hermès International		
<b>Date of first appointment</b>	Mr Charles-Éric Bauer has been a member of the Supervisory Board since 3 June 2008. He has also been a member of the Audit and Risk Committee since its inception on 26 January 2005.		
<b>Date term ends</b>	2019 GM		
<b>Age in 2019 (date of birth)</b>	55 years (9 January 1964)		
<b>Nationality</b>	French		
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	73,648 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	Mr Charles-Éric Bauer holds a degree in technical analysis from Institut des Techniques de Marchés. He is also a graduate of <i>École d'Administration et Direction des Affaires</i> (EAD) business school, with an option in finance. He served as Co-Managing Director and Head of Mutual Fund Management at CaixaGestion from 2000 to 2005, and as Director, Corporate and Institutional Clients, CaixaBank France from 2005 to 2007. Since March 2007 he has been the Managing Partner of Hem-Fi Conseil, a private equity firm.		
<b>Main activities outside the Company</b>	Managing Partner of Hem-Fi Conseil, a private equity firm		
<b>Offices and positions held during 2018</b>	<b>in Hermès Group companies</b>	<b>French companies ▲</b>	<b>Foreign companies ▲</b>
	<b>outside Hermès Group companies</b>	<ul style="list-style-type: none"> <li>◆ <b>Hermès International ●</b> Member of the Supervisory Board and Audit and Risk Committee</li> </ul>	none
		<b>French companies</b>	<b>Foreign companies</b>
		<ul style="list-style-type: none"> <li>◆ <b>Almareen 2</b> Executive Chairman</li> <li>◆ <b>H51</b> Director</li> <li>◆ <b>Hem-Fi Conseil</b> Associate director</li> <li>◆ <b>Sabarots</b> Executive Chairman</li> <li>◆ <b>Samain B2</b> Executive Chairman</li> <li>◆ <b>Yundal</b> Executive Chairman</li> <li>◆ <b>Zumsee</b> Executive Chairman</li> </ul>	none
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>		<b>French companies</b>	<b>Foreign companies</b>
		<ul style="list-style-type: none"> <li>◆ <b>Almareen</b> Manager (term ended on 27/12/2015)</li> </ul>	none

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

**MATTHIEU DUMAS**

Direct descendant of Mr Émile-Maurice Hermès

<b>Position held</b>	Member of the Hermès International Supervisory Board		
<b>Membership of committees of the Board</b>	Member of the CAG-CSR Committee of Hermès International		
<b>Date of first appointment</b>	Mr Matthieu Dumas has been a member of the Supervisory Board and member of the CAG-CSR Committee since 3 June 2008.		
<b>Date term ends</b>	2021 GM		
<b>Age in 2019 (date of birth)</b>	47 years (6 December 1972)		
<b>Nationality</b>	French		
<b>Adress</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	213 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	<p>Mr Matthieu Dumas holds a Masters in law from the Université Paris II-Assas and a Masters in Management, majoring in strategic marketing, development and corporate communication from the Institut Supérieur de Gestion. From 2001 to 2003 he was Head of Promotion and Partnerships at Cuisine TV (Canal+ Group) and then Marketing and Business Development Director from 2003 to 2006. In 2008 he was appointed Brand Manager of 13<sup>e</sup> Rue, NBC Universal Group, then Deputy Managing Director of all PureScreens brands in 2010, before holding the position of Marketing and Communication Manager of the Discovery Channel in France from 2011 to 2013.</p> <p>Mr Matthieu Dumas has been certified as a Company Director (ASC France) by the IFA and Sciences Po since 2015.</p> <p>Since 2013 he has been the manager of EAQUE.</p>		
<b>Main activities outside the Company</b>	Managing Partner of Hem-Fi Conseil, a private equity firm.		
	<b>in Hermès Group companies</b>	<b>French companies ▲</b>	<b>Foreign companies ▲</b>
		<ul style="list-style-type: none"> <li>◆ <b>Hermès International ●</b> Member of the Supervisory Board and of the CAG-CSR Committee</li> <li>◆ <b>Comptoir Nouveau de la Parfumerie *</b> Director</li> </ul>	none
<b>Offices and positions held during 2018</b>	<b>outside Hermès Group companies</b>	<b>French companies</b>	<b>Foreign companies</b>
		<ul style="list-style-type: none"> <li>◆ <b>Asope</b> Executive Chairman</li> <li>◆ <b>Axam 2</b> Executive Chairman</li> <li>◆ <b>BOVES</b> Executive Chairman</li> <li>◆ <b>DRestauration</b> Executive Chairman</li> <li>◆ <b>Eaque</b> Executive Chairman</li> <li>◆ <b>H2</b> Chairman and Director</li> <li>◆ <b>HECATE</b> Executive Chairman</li> <li>◆ <b>Krefeld</b> Chairman and Director</li> <li>◆ <b>Krefeld Immo</b> Chairman and Director</li> <li>◆ <b>Krefeld AREF</b> Chairman and Director (since 10/12/2018)</li> <li>◆ <b>Krefeld INFRA</b> Chairman and Director (since 10/12/2018)</li> </ul>	none

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

Offices and positions held during 2018	outside Hermès Group companies	<ul style="list-style-type: none"> <li>◆ <b>LDMD</b> Executive Chairman</li> <li>◆ <b>Mathel</b> Executive Chairman</li> <li>◆ <b>Hestia</b> Executive Chairman (since 27/09/2018)</li> <li>◆ <b>SIFAH</b> Director (since 10/12/2018)</li> </ul>
Other offices and positions held during the previous four financial years and ending before 1 January 2018	<b>French companies</b>	<b>Foreign companies</b>
	<i>none</i>	<i>none</i>

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

<b>BLAISE GUERRAND</b>	Direct descendant of Mr Émile-Maurice Hermès		
<b>Position held</b>	Member of the Hermès International Supervisory Board		
<b>Membership of committees of the Board</b>	n/a		
<b>Date of first appointment</b>	Mr Blaise Guerrand has been a member of the Supervisory Board since 29 May 2012.		
<b>Date term ends</b>	2021 GM		
<b>Age in 2019 (date of birth)</b>	36 years (4 June 1983)		
<b>Nationality</b>	French		
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	200 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	Mr Blaise Guerrand is a graduate of HEC Paris. He began his career as an Analyst in the equity capital markets department of NM Rothschild & Sons in London between 2005 and 2006. From 2007 to 2010 he was an Associate, then Director of Equity Investments for the Indian subsidiary of Ashmore Investment Management, one of the world's leading investors in emerging countries, with more than 75 billion dollars under management and listed on the London Stock Exchange. Since 2011 he has been a Managing Partner in corporate takeovers. Moreover, since 2007 he has been Director of the ACCESS Health International foundation which works in partnership with the Rockefeller Foundation to improve access to health care for the underprivileged in certain developing countries.		
<b>Main activities outside the Company</b>	Managing Partner in corporate takeovers		
	<b>in Hermès Group companies</b>	<b>French companies ▲</b>	<b>Foreign companies ▲</b>
<b>Offices and positions held during 2018</b>		<ul style="list-style-type: none"> <li>◆ <b>Hermès International ●</b> Member of the Supervisory Board</li> <li>◆ <b>Hermès Sellier</b> Member of the Management Board</li> </ul>	<i>none</i>
	<b>outside Hermès Group companies</b>	<b>French companies</b>	<b>Foreign companies</b>
		<ul style="list-style-type: none"> <li>◆ <b>SCI Sèvres SCIFAH</b> Executive Chairman</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>ACCESS Health International (USA)</b> Director</li> <li>◆ <b>Jakyval (Luxembourg)</b> Director</li> </ul>
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>		<b>French companies</b>	<b>Foreign companies</b>
		<i>none</i>	<ul style="list-style-type: none"> <li>◆ <b>Avest Capital (Mauritius)</b> Director (term ended on 29/12/2015)</li> </ul>

n/a: not applicable.

## JULIE GUERRAND

Direct descendant of Mr Émile-Maurice Hermès

<b>Position held</b>	Member of the Hermès International Supervisory Board
<b>Membership of committees of the Board</b>	n/a
<b>Date of first appointment</b>	Ms Julie Guerrand has been a member of the Supervisory Board since 2 June 2005. She was also a member of the Audit Committee (now the Audit and Risk Committee) from its inception on 26 January 2005 until 2 March 2011.
<b>Date term ends</b>	2019 GM
<b>Age in 2019 (date of birth)</b>	44 years (26 February 1975)
<b>Nationality</b>	French
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris
<b>Shares held on 31 December 2018</b>	5,825 wholly-owned and registered
<b>Summary of main areas of expertise and experience</b>	<p>Ms Julie Guerrand holds a DEUG advanced degree in applied mathematics and social sciences and a Masters in Economics and Industrial Strategy from the Université Paris IX-Dauphine. Between 1998 and 2006 she worked in the financial affairs department (mergers &amp; acquisitions) of investment bank Rothschild &amp; Cie. From 2007 to 2011 she was Director of Equity Investments in the investment team at Paris Orléans, a holding company listed on Euronext and controlled by the Rothschild family. She held positions in the Hermès Group from 2011 to 2017 as Corporate Development Director of Hermès International before becoming Deputy Managing Director – Finance and Organisation of the Hermès Cuir Précieux division.</p> <p>Ms Julie Guerrand has been certified as a Company Director (ASC France) by the IFA and Sciences Po since 2014.</p>

<b>Main activities outside the Company</b>	Company Director		
	<b>in Hermès Group companies</b>	<b>French companies ▲</b>	<b>Foreign companies ▲</b>
		<ul style="list-style-type: none"> <li>◆ <b>Hermès International ●</b> Member of the Supervisory Board</li> </ul>	none
<b>Offices and positions held during 2018</b>	<b>outside Hermès Group companies</b>	<b>French companies</b>	<b>Foreign companies</b>
		<ul style="list-style-type: none"> <li>◆ <b>Antonino</b> Executive Chairwoman</li> <li>◆ <b>H51</b> Chairwoman</li> <li>◆ <b>Idi</b> Member of the Supervisory Board</li> <li>◆ <b>Jerocaró</b> Executive Chairwoman</li> <li>◆ <b>La mazarine-SCIFAH</b> Executive Chairwoman</li> <li>◆ <b>Les domaines Barons de Rothschild (Lafite)</b> Member of the Supervisory Board</li> <li>◆ <b>SCI Apremont</b> Executive Chairwoman</li> <li>◆ <b>SCI Briand Villiers I</b> Executive Chairwoman (term ended on 19/04/2018)</li> <li>◆ <b>SCI Briand Villiers II</b> Executive Chairwoman</li> <li>◆ <b>SCI 8 Drouot</b> Executive Chairwoman</li> <li>◆ <b>SIFAH</b> Director</li> <li>◆ <b>Société Immobilière du Dragon</b> Executive Chairwoman</li> <li>◆ <b>Val d'Isère Carojero</b> Executive Chairwoman</li> <li>◆ <b>Vie et Veranda Groupe *</b> Director</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Jakyval (Luxembourg)</b> Director</li> </ul>

n/a: not applicable.

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

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**Other offices and positions held during  
the previous four financial years and  
ending before 1 January 2018****French companies**

- ◆ **Compagnie des Cuirs Précieux** ▲  
Deputy Managing Director – Finance and  
Organisation (term ended on 15/04/2017)
- ◆ **Hermès Cuirs Précieux** ▲  
Member of the Management Board  
(term ended on 15/04/2017)
- ◆ **28-30-32 Faubourg-Saint-Honoré**  
Director (term ended on 15/07/2015)

**Foreign companies***none*

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

## OLYMPIA GUERRAND

Direct descendant of Mr Émile-Maurice Hermès

<b>Position held</b>	Member of the Hermès International Supervisory Board		
<b>Membership of committees of the Board</b>	n/a		
<b>Date of first appointment</b>	Ms Olympia Guerrand has been a member of the Supervisory Board since 6 June 2017.		
<b>Date term ends</b>	2021 GM		
<b>Age in 2019 (date of birth)</b>	42 years (7 October 1977)		
<b>Nationality</b>	Franco-Portuguese		
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	306,312 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	Ms Olympia Guerrand worked for nearly one year in 2005-2006, in the Communications department of the subsidiary Hermès of Paris in New York, performing assignments in the area of advertising, public relations and event management. She then joined Hermès International until 2007 carrying out assignments within various Hermès Group departments (finance, legal, <i>métiers</i> , production units and stores). She has been a real estate administrator since 2008.		
<b>Main activities outside the Company</b>	Real estate administrator		
	<b>in Hermès Group companies</b>	<b>French companies ▲</b>	<b>Foreign companies ▲</b>
<b>Offices and positions held during 2018</b>		<ul style="list-style-type: none"> <li>◆ <b>Hermès International ●</b> Member of the Supervisory Board</li> <li>◆ <b>Hermès Sellier</b> Member of the Management Board</li> </ul>	<i>none</i>
	<b>outside Hermès Group companies</b>	<b>French companies</b>	<b>Foreign companies</b>
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>		<i>none</i>	<i>none</i>

n/a: not applicable.

**SHARON MACBEATH**

<b>Position held</b>	Member of the Hermès International Supervisory Board. Independent Board member		
<b>Membership of committees of the Board</b>	Member of the Audit and Risk Committee of Hermès International Member of the CAG-CSR Committee		
<b>Date of first appointment</b>	Ms Sharon MacBeath was a member of the Supervisory Board from 31 May 2016. She was also a member of the Audit and Risk committee from 31 May 2016 and a member of the CAG-CSR Committee from 6 June 2017.		
<b>Date term ends</b>	Ms Sharon MacBeath resigned from her post as a member of the Supervisory Board as of 20 March 2019 for personal reasons.		
<b>Age in 2019 (date of birth)</b>	50 years (30 March 1969)		
<b>Nationality</b>	British		
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris		
<b>Shares held on 31 December 2018</b>	200 wholly-owned and registered		
<b>Summary of main areas of expertise and experience</b>	<p>Ms Sharon MacBeath is a graduate of Glasgow University, the Panthéon-Sorbonne University and INSEAD. Her background has been enriched by her diversity of experiences, in the manufacturing world as well as retail distribution, and now business to business.</p> <p>She has served successively as Director of Human Resources at McDonald's, Managing Director at EMDS Consulting, Human Resources Director at Rexam, where she was primarily in charge of risk management issues, and Senior Vice-President (SVP) of Human Resources and Communications at Redcats. From 2013 to 2016 she served as Group Senior Human Resources Vice-President (SVP) at Rexel. Since 3 January 2017 she has been Director of Human Resources and Communications of the Tarkett Group and a member of its Executive Committee and Management Board.</p>		
<b>Main activities outside the Company</b>	Director of Human Resources and Communications of the Tarkett Group and a member of its Executive Committee and Management Board		
<b>Offices and positions held during 2018</b>	<b>in Hermès Group companies</b>	<b>French companies ▲</b> ◆ <b>Hermès International ●</b> Member of the Supervisory Board Member of the Audit and Risk committee Member of the CAG-CSR Committee	<b>Foreign companies ▲</b> <i>none</i>
	<b>outside Hermès Group companies</b>	<b>French companies</b> ◆ <b>Tarkett</b> Human Resources and Communication Director, member of the Executive Committee and the Management Board ◆ <b>Coface ●*</b> Independent director	<b>Foreign companies</b> <i>none</i>
<b>Other offices and positions held during the previous four financial years and ending before 1 January 2018</b>	<b>French companies</b> ◆ <b>Rexel ●</b> Senior Vice-President, Human Resources, member of the Executive Committee (term ended on 31/10/2016)	<b>Foreign companies</b> <i>none</i>	

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

## RENAUD MOMMEJA

Direct descendant of Mr Émile-Maurice Hermès

<b>Position held</b>	Member of the Hermès International Supervisory Board
<b>Membership of committees of the Board</b>	Member of the Audit and Risk Committee of Hermès International since 3 June 2008
<b>Date of first appointment</b>	Mr Renaud Momméja has been a member of the Supervisory Board since 2 June 2005.
<b>Date term ends</b>	2020 GM
<b>Age in 2019 (date of birth)</b>	57 years (20 March 1962)
<b>Nationality</b>	French
<b>Adress</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris
<b>Shares held on 31 December 2018</b>	175,132 wholly-owned and registered
<b>Summary of main areas of expertise and experience</b>	Mr Renaud Momméja is a graduate of the <i>École Supérieure Libre des Sciences Commerciales Appliquées</i> (ESLSCA). He has been Executive Manager of SARL Tolazi since 2004, a corporate property management, organisation and strategy consulting firm. Since 2006 he has been the Representative of SC Lor on the Executive Management of SC du Château Fourcas Hosten.
<b>Main activities outside the Company</b>	Executive Chairman of SARL Tolazi and Representative of SC Lor on the Executive Management of SC du Château Fourcas Hosten

	in Hermès Group companies	French companies ▲	Foreign companies ▲
<b>Offices and positions held during 2018</b>		<ul style="list-style-type: none"> <li>◆ <b>Hermès International</b> ● Member of the Supervisory Board and Audit and Risk Committee</li> <li>◆ <b>Comptoir Nouveau de la Parfumerie *</b> Director</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>J.L. &amp; Co (United Kingdom)</b> Director</li> </ul>
	outside Hermès Group companies	<ul style="list-style-type: none"> <li>◆ <b>Altizo</b> Executive Chairman</li> <li>◆ <b>Binc</b> Executive Chairman</li> <li>◆ <b>GFA Château Fourcas Hosten</b> Executive Co-Chairman</li> <li>◆ <b>H2</b> Director</li> <li>◆ <b>HUSO *</b> Director</li> <li>◆ <b>Lor</b> Executive Co-Chairman</li> <li>◆ <b>Rose Investissement</b> Executive Chairman</li> <li>◆ <b>SARL Tolazi</b> Executive Chairman</li> <li>◆ <b>SCI AJimmo</b> Executive Co-Chairman</li> <li>◆ <b>SCI Auguste Hollande</b> Executive Co-Chairman</li> <li>◆ <b>SCI Briand Villiers I</b> Executive Chairman</li> <li>◆ <b>SCI Briand Villiers II</b> Executive Chairman</li> <li>◆ <b>SCI de l'Univers</b> Executive Chairman</li> <li>◆ <b>SCI du 74 rue du Faubourg-Saint-Antoine</b> Executive Co-Chairman</li> <li>◆ <b>Société civile du Château Fourcas Hosten</b> Permanent Representative of Lor, Executive Chairman</li> <li>◆ <b>SIFAH</b> Chairman</li> <li>◆ <b>SCI Tibemo</b> Executive Co-Chairman</li> <li>◆ <b>SCI Zotila Vaugirard</b> Chairman</li> </ul>	<ul style="list-style-type: none"> <li><i>none</i></li> </ul>

▲ Hermès Group entity ● Listed company \* Office taken into account when calculating multiple offices

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**Other offices and positions held during the previous four financial years and ending before 1 January 2018**

**French companies**

- ◆ **28-30-32 Faubourg-Saint-Honoré**  
Chairman (term ended on 02/07/2015)
- ◆ **H2**  
Chairman (term ended on 18/05/2016)
- ◆ **Société immobilière du Faubourg-Saint-Honoré "SIFAH"**  
Executive Chairman  
(term ended on 02/07/2015)

**Foreign companies**

*none*

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## ROBERT PEUGEOT

<b>Position held</b>	Member of the Hermès International Supervisory Board Independent Board member (until 24 January 2019) <sup>1</sup>
<b>Membership of committees of the Board</b>	Member of the Audit and Risk Committee and of the CAG-CSR Committee of Hermès International
<b>Date of first appointment</b>	Mr Robert Peugeot has been a member of the Supervisory Board of Hermès International since 24 January 2007. He is also a member of the Audit and Risk Committee and of the CAG-CSR Committee of Hermès International since 3 June 2008.
<b>Date term ends</b>	2019 GM
<b>Age in 2019 (date of birth)</b>	69 years (25 April 1950)
<b>Nationality</b>	French
<b>Address</b>	c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris
<b>Shares held on 31 December 2018</b>	200 wholly-owned and registered
<b>Summary of main areas of expertise and experience</b>	After his studies at the École Centrale de Paris and INSEAD, Mr Robert Peugeot occupied various managerial posts within the PSA Peugeot Citroën Group and was a member of the Executive Committee of the Group between 1998 and 2007 in charge of innovation and quality. He is a Permanent Representative of FFP to the Supervisory Board of Peugeot SA, a member of the Financial and Audit Committee and he chairs the Strategic Committee. He has managed the development of FFP since the end of 2002.
<b>Main activities outside the Company</b>	Permanent Representative of FFP to the Supervisory Board of Peugeot SA, a member of the Financial and Audit Committee and Chairman of the Strategic Committee Development Director of FFP

	in Hermès Group companies	French companies ▲	Foreign companies ▲
<b>Offices and positions held during 2018</b>	outside Hermès Group companies <sup>2</sup>	<ul style="list-style-type: none"> <li>◆ <b>Hermès International</b> ● Member of the Supervisory Board Member of the Audit and Risk Committee Member of the CAG-CSR Committee</li> </ul>	<p><i>none</i></p>
		<p><b>French companies</b></p> <ul style="list-style-type: none"> <li>◆ <b>CHP Gestion</b> Executive Chairman</li> <li>◆ <b>Établissements Peugeot Frères-EPF</b> * Director, Chairman of the Accounts Committee</li> <li>◆ <b>Faurecia</b> ● Director, member of the Management Committee</li> <li>◆ <b>FFP</b> ●* Chairman and CEO, Chairman of the Equity Investments Committee</li> <li>◆ <b>FFP Invest</b> Permanent Representative of FFP, Chairman</li> <li>◆ <b>Financière Guiraud SAS</b> Permanent representative of FFP Invest, Chairman and member of the Supervisory Board</li> <li>◆ <b>PSA Peugeot Citroën (Peugeot SA)</b> ● Permanent representative of FFP, member of the Supervisory Board, Chairman of the Strategy Committee and member of the Finance and Audit Committee</li> <li>◆ <b>SCAV Armene</b> Permanent representative of Maillot I on the Board of Directors</li> <li>◆ <b>SC Rodom</b> Executive Chairman</li> <li>◆ <b>Tikehau Capital Advisors</b> Member of the Board of Directors and member of the Compensation Committee</li> <li>◆ <b>Safran</b> ●* Permanent Representative of FFP, Director, and member of the Audit and Risk committee (since 25/05/2018)</li> </ul>	<p><b>Foreign companies</b></p> <ul style="list-style-type: none"> <li>◆ <b>DKSH</b> ● (<i>Switzerland</i>) Director, member of the Compensation and Appointments Committee</li> <li>◆ <b>Sofina</b> ● (<i>Belgium</i>) Director, Chairman of the Compensation Committee and Chairman of the Appointments Committee</li> <li>◆ <b>FFP Investment UK Ltd</b> Director</li> </ul>

1. On 24 January 2019, Robert Peugeot's term of office reached 12 years. He was reappointed at the General Meeting of 5 June 2018 for a period of one year so as to replace him under the best possible conditions with a new independent member of the Supervisory Board at the General Meeting to be held in 2019.
2. Robert Peugeot holds six other appointments in listed companies, but five of these appointments are held pursuant to his functions as Chairman and CEO of FFP, the main business of which is the acquisition and management of such equity investments.

**outside Hermès Group  
companies**

- ◆ **Soparexo SCA**  
Member of the Supervisory Board  
(since 29/06/2018)
- ◆ **F&P**  
Chairman (since 28/02/2018)

**Other offices and positions held during  
the previous four financial years and  
ending before 1 January 2018****French companies**

- ◆ **SANEF**  
Permanent representative of FFP Invest  
on the Board of Directors, Chairman of the  
Compensation and Appointments Committee  
(term ended on 28/04/2017)  
  
Director, Chairman of the Compensation and  
Appointments Committee  
(term ended on 17/06/2014)
- ◆ **Imerys** ●  
Director, member of the Strategic Committee,  
member of the Appointments and Compensation  
Committee (term ended on 04/05/2016)
- ◆ **Holding Reinier**  
Director, member of the Compensation  
Committee, member of the Strategic Committee  
(term ended on 03/09/2016)
- ◆ **Peugeot SA** ●  
Chairman of the Strategic Committee, member of  
the Finance and Audit Committee  
(term ended on 25/04/2014)  
  
Member of the Supervisory Board  
(term ended on 25/04/2014)
- ◆ **Zodiac Aerospace**  
Permanent representative of FFP Invest on the  
Supervisory Board, member of the Accounts  
Committee (term ended on 16/07/2014)

**Foreign companies**

- ◆ **IDI Emerging Markets (Luxembourg)**  
Permanent representative of FFP Invest on the  
Supervisory Board (term ended on 15/06/2015)  
  
Member of the Supervisory Board  
(term ended on 13/05/2014)

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**3.1.4.5 Diversity policy applied within the Supervisory Board****Changes in the composition of the Supervisory Board since 2011**

Pursuant to Article L. 225-37-4 (6) of the French Commercial Code, we hereby report to you on the diversity policy applied to members of the Supervisory Board based on criteria such as age, gender or qualifications and professional experience, and provide a description of the objectives of this policy, its means of implementation and the results obtained in the year ended.

Since 2011, the CAG-CSR Committee has been assigned the duty to advise the Supervisory Board of its recommendations as to the changes in the Board's composition.

In order to make these recommendations to the Supervisory Board, the CAG-CSR Committee has organised its duties in three stages:

1. determine the "Supervisory Board's target makeup";
2. draw up a shortlist, with the help of an external expert, of potential candidates meeting identified requirements;
3. set up a schedule of changes in the Supervisory Board's composition.

The work carried out has been presented in each subsequent registration document as follows:

Work carried out	Registration Document
from 2011 to 2013	2013 (part 2, pages 21 and 22)
in 2014 and 2015	2014 (part 2, page 19)
in 2016	2015 (part 2, page 19)
in 2017	2016 (page 113)
in 2018	2017 (page 142)

The Supervisory Board's target makeup covers a range of objectives or principles regarding the optimal size of the Board, age limits, the number of independent members and diversity (e.g. gender parity, variety of nationalities, international experience, expertise).

In accordance with Article L. 225-37-4 of the French Commercial Code, their means of implementation and the results achieved at the end of 2018 are as follows:

Criteria used	Objectives set in 2014	Means of implementation and results at 31 December 2018
<p><b>Optimal size (number of Board members)</b></p> <p>The Board comprised 10 members within a range of 3 to 15 members set out by the Articles of Association (the decision is made by the Active Partner).</p>	<p><u>Objective:</u> maintain the number of members insofar as the Board's size is consistent with market recommendations and works satisfactorily. This can be reconsidered later if other constraints (proportion of women and independent members on the Board and the Committees) require an increase in the size of the Board.</p>	<p>The number of members gradually rose to 11 in 2012 (with the addition of a member representing employees) and then to 13 in 2017 (with the appointment of two new women).</p>
<p><b>Age limit</b></p>	<p>Article 18.3 of the Articles of Association states that the number of members aged over 75 cannot exceed one-third of the total.</p> <p><u>Objective:</u> make no changes as the current rule under the Articles of Association is satisfactory.</p>	<p>Unchanged.</p>
<p><b>Gender parity</b></p>	<p>End of 2011: 20% women and 80% men.</p> <p><u>Objective:</u> reach at least 40% of each gender by 2017 in accordance with Article L. 226-4-1 of the French Commercial Code.</p>	<p>Appointments of Ms Dominique Senequier in 2013 and Ms Monique Cohen in 2014.</p> <p>End-2014: 40% women and 60% men.</p> <p>Appointment of Ms Sharon MacBeath in 2016 and Ms Dorothée Altmayer and Ms Olympia Guerrand in 2017.</p> <p>Since end-2017: 50% women and 50% men.</p>
<p><b>Number of independent members</b></p>	<p>The Board's rules of procedure state that at least one-third of its members must be independent. Proportion in 2011: more than one-third (40% or four independents out of 10 members).</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> <li>◆ replace the two independent members (Mr Ernest-Antoine Sellière and Mr Maurice de Kervenoaël) who would be over 75 years old at the end of their respective terms in 2013 and 2014;</li> <li>◆ find a suitable female candidate to be an independent member of the Audit and Risk Committee in 2014.</li> </ul>	<p>Appointment of Ms Dominique Senequier to the Board in 2013.</p> <p>Appointment of Ms Monique Cohen to the Board and the Audit Committee (now the Audit and Risk Committee) in 2014.</p> <p>Appointment of Ms Sharon MacBeath to the Board and the Audit Committee (now the Audit and Risk Committee) in 2016 and to the Compensation, Appointments and Governance Committee in 2017 (now the CAG-CSR Committee).</p> <p>End-2018: 1/3 independent members.</p>
<p><b>Nationalities, international experience, expertise (highlighting the missing talents/typical profiles needed to improve the running of the Board).</b></p>	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> <li>◆ The House's culture being quintessentially French, maintain a French-speaking Board;</li> <li>◆ International experience is important;</li> <li>◆ Experience in the luxury sector is not necessarily desirable given the specific nature of Hermès and potential conflicts of interest;</li> <li>◆ Experience or membership of a family group should be decisive (collective and not individual ambition);</li> <li>◆ The absence of a conflict of interest is difficult to define and will be examined on a case-by-case basis;</li> <li>◆ Financial expertise is desirable;</li> <li>◆ Integrity and compatibility with the Hermès values is a prerequisite;</li> <li>◆ Simultaneously holding offices in other listed companies is not in itself a handicap but must be taken into account for good governance.</li> </ul>	<p>Appointment of Ms Dominique Senequier to the Board in 2013 (financial profile).</p> <p>Appointment of Ms Monique Cohen in 2014 (financial profile, Audit Committee experience).</p> <p>Appointment of Ms Sharon MacBeath in 2016 (experience in human resources and British nationality).</p> <p>Appointment in 2017 of Ms Dorothée Altmayer (experience in human resources and psychology) and Ms Olympia Guerrand (international experience and dual nationality).</p>
<p><b>Possibility of appointing a non-voting member</b></p>	<p><u>Objective:</u> unfavourable because this role can be entrusted to a Board member without the need to appoint a non-voting member.</p>	<p>Unchanged.</p>

<b>Criteria used</b>	<b>Objectives set in 2014</b>	<b>Means of implementation and results at 31 December 2018</b>
<b>Employee representative members</b>	<p>Amend Article 18 of the Articles of Association to determine the terms and conditions for appointing members of the Supervisory Board representing the Group's employees in accordance with the law of 14 June 2013 on employment security.</p> <p>The member(s) representing employees will be appointed by the Group works council, taking into account the role of this employee representation body, which is the primary point of contact for management and whose members hail from the various works councils or single staff delegations of the companies comprising the Group.</p>	<p>Amendment of the Articles of Association at the 2014 General Meeting.</p> <p>Appointment of an employee representative to the Board at the end of 2014.</p>

Pursuant to Article L. 225-37-4 of the French Commercial Code, the objectives set in 2019 and the achievements to date are as follows::

Criteria used	Objectives set in 2019	Current achievements
<p><b>Nationalities, international experience, expertise (highlighting the missing talents/typical profiles needed to improve the running of the Board).</b></p> <p><b>Number of independent members</b></p>	<p>Mr Robert Peugeot had served for 12 years of office on 24 January 2019. He has therefore have lost his status as independent Board member of the Supervisory Board according to the criteria set out in the AFEP-MEDEF Corporate Governance Code.</p> <p>He was reappointed at the General Meeting of 5 June 2018 for a period of one year so as to replace him under the best possible conditions with a new independent member of the Supervisory Board at the General Meeting to be held in 2019. In 2018, the Supervisory Board deemed it better to have a slightly lower proportion of independent members on the Board (25%) and Audit and Risk committee (40%) than required by the AFEP-MEDEF Code for a few months rather than to waive one of the independence criteria with regard to Robert Peugeot.</p> <p>Upon the planned replacement of Mr Robert Peugeot in 2019, the Supervisory Board has set itself the objective of taking on a new independent Board member.</p> <p>Ms Sharon MacBeath resigned from her post as a member of the Supervisory Board with effect from 20 March 2019 for personal reasons. The Supervisory Board set itself the goal of replacing her with a new independent member of the Supervisory Board.</p>	<p>At the publication date of this Registration Document, the selection process is continuing in order to be able to propose, at the General Meeting of 4 June 2019, the appointment of two new independent members to replace Mr Robert Peugeot and Ms Sharon MacBeath.</p> <p>The selection process is being conducted as follows:</p> <ul style="list-style-type: none"> <li>♦ a recruitment advisor is tasked with identifying candidates (male and/or female) in addition to those proposed by the Executive Management Board and Supervisory Board;</li> <li>♦ the profiles of around thirty male or female candidates, from a variety of backgrounds, but likely to be interested in joining the Supervisory Board, are then preselected by the recruitment advisor;</li> <li>♦ on the basis of a detailed report and an oral presentation from the Recruitment advisor, the Chairman of the Supervisory Board and a member of the CAG-CSR Committee draw up a shortlist of candidates whom they will meet individually;</li> <li>♦ the selected candidates then meet the other members of the CAG-CSR Committee and the Executive Chairmen;</li> <li>♦ the CAG-CSR Committee discusses the results of these interviews and submits its recommendations to the Émile Hermès SARL Management Board and the Supervisory Board;</li> <li>♦ finally, the Émile Hermès SARL Management Board and Supervisory Board decide on the appointments to propose to the General Meeting.</li> </ul> <p>Proposals will also be made to the General Meeting of 4 June 2019 to reappoint Mr Charles-Éric Bauer, Ms Julie Guerrand and Ms Dominique Senequier for a period of three years as set out in the Articles of Association.</p> <p>Information regarding these persons is provided on pages 159, 163 and 156.</p> <p>Subject to the identification of candidates, male or female, and approval by the Combined General Meeting of 4 June 2019, these appointments and reappointments would restore:</p> <ul style="list-style-type: none"> <li>♦ the proportion of independent members on the Supervisory Board <sup>1</sup> and committees in accordance with the requirements of the AFEP-MEDEF Code;</li> <li>♦ a balanced representation of men and women on the Supervisory Board <sup>1</sup>, i.e. 50% and 50% respectively.</li> </ul>

(1) Only Board Members appointed by the General Meeting are included in the calculation of these percentages, and not Board members representing employees, in application of the AFEP-MEDEF Code.

## Number of Supervisory Board members and gender parity (excluding the employee representative)

31/12	2011	2012	2013	2014	2015	2016	2017	2018	2019 <sup>1</sup>
Number	10	11	11	10	10	10	12	12	11
F	20%	18%	27%	40%	40%	40%	50%	50%	45.45%
M	80%	82%	73%	60%	60%	60%	50%	50%	54.55%
Employee rep.	n/a	n/a	n/a	1	1	1	1	1	1

n/a: not applicable.

(1) At the date of publication of this Registration Document.

## 3.1.4.6 Independence of the members of the Supervisory Board

## Independence criteria

In 2009 the Supervisory Board formally adopted the following criteria for its members to be deemed independent:

- ◆ Comply with the criteria set out in the AFEP-MEDEF Code (Article 8.5 of the version revised in June 2018):

<b>Criterion 1:</b>	<b>Employee or Corporate Officer in the previous five years</b> Not to be and not to have been during the course of the previous five years: <ul style="list-style-type: none"> <li>◆ an employee or Executive Corporate Officer of the Company;</li> <li>◆ an employee, Executive Corporate Officer or a director of a company consolidated by the Company;</li> <li>◆ an employee, Executive Corporate Officer or a director of the Company's parent company or a company consolidated by this parent.</li> </ul>
<b>Criterion 2:</b>	<b>Cross-directorships</b> Not to be an Executive Corporate Officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an Executive Corporate Officer of the Company (currently in office or having held such office during the last five years) is a director.
<b>Criterion 3:</b>	<b>Significant business relationships</b> Not to be a customer, supplier, commercial banker, investment banker or consultant: <ul style="list-style-type: none"> <li>◆ that is material to the Company or its group;</li> <li>◆ or for which the Company or its group represents a significant part of its business.</li> </ul> The assessment of the significant or non-significant relationship with the Company or its group must be debated by the Board and the quantitative and qualitative criteria that lead to the assessment (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the annual report.
<b>Criterion 4:</b>	<b>Family ties</b> Not to be related by close family ties to a Corporate Officer.
<b>Criterion 5:</b>	<b>Statutory Auditor</b> Not to have been a Statutory Auditor of the Company within the previous five years.
<b>Criterion 6:</b>	<b>Term of office exceeding twelve years</b> Not to have been a Director of the company for more than twelve years. The status of independent director is lost on the anniversary date of the twelve years.
<b>Criterion 7:</b>	<b>Status of the non-Executive Corporate Officer</b> A non-Executive Corporate Officer cannot be considered as independent if he/she receives variable compensation in cash or in shares or any compensation linked to the performance of the Company or the Group.
<b>Criterion 8:</b>	<b>Status of main shareholder</b> Directors representing main shareholders of the Company or its parent company can be considered as independent provided that they do not contribute to the control of the Company. However, beyond the threshold of 10% shareholding or voting rights, the Board, based on the report of the Appointments Committee, systematically reviews the qualification of independence, by taking into account the share ownership in the Company and the existence of a potential conflict of interest.
	◆ Comply with an additional criterion specific to Hermès International:
<b>Criterion 9:</b>	<b>Status of Partner or member of the Executive Management Board of the Active Partner.</b> Not to be a partner or member of the Executive Management Board of Émile Hermès SARL, Active Partner.

**Situation of each member of the Supervisory Board, as at 31 December 2018, in respect of the above criteria**

On 31 December 2018, the Board examined the situation of each of its members in respect of the above criteria on a case-by-case basis and deemed four of them to be "independent": Ms Monique Cohen, Ms

Dominique Senequier, Ms Sharon MacBeath, and Mr Robert Peugeot. In particular, the Board identified no significant business relationships between its members and the Company. This review is performed each year on the basis of a questionnaire sent to all Supervisory Board members (see page 177 below).

Criteria	Éric de Seynes (Chairman)	Monique Cohen (Vice-Chairwoman)	Dominique Senequier (Vice-Chairwoman)	Frédéric Afriat (Employee representative)	Dorothee Altmayer	Charles-Éric Bauer	Matthieu Dumas	Blaise Guerrand	Julie Guerrand	Olympia Guerrand	Sharon MacBeath	Renaud Mommeja	Robert Peugeot
<b>Criterion 1 :</b> Employee or Corporate Officer in the previous five years		√	√								√		√
<b>Criterion 2 :</b> Cross-directorships	√	√	√	√	√	√	√	√	√	√	√	√	√
<b>Criterion 3 :</b> Significant business relationships	√	√	√	√	√	√	√	√	√	√	√	√	√
<b>Criterion 4 :</b> Family ties		√	√	√							√		√
<b>Criterion 5 :</b> Statutory Auditor	√	√	√	√	√	√	√	√	√	√	√	√	√
<b>Criterion 6 :</b> Term of office exceeding twelve years	√	√	√	√	√	√	√	√		√	√		√
<b>Criterion 7 :</b> Status of the non-Executive Corporate Officer	√	√	√	√	√	√	√	√	√	√	√	√	√
<b>Criterion 8 :</b> Status of main shareholder		√	√	√							√		√
<b>Criterion 9 :</b> Status of Partner or member of the Executive Management Board of the Active Partner		√	√	√							√		√
<b>Independent</b>		√	√								√		√

In accordance with Article 8.3 of the AFEP-MEDEF Code revised in June 2018, independent members must make up at least one-third of the Supervisory Board in controlled companies as defined by Article L. 233-3 of the French Commercial Code.

Article 1.1.2.3 of the Supervisory Board's rules of procedure states that at least one-third of Board members must be independent.

Employee representative Board members are not included in the calculation of this percentage.

The Supervisory Board has complied with this proportion since it was introduced in 2009.

On 24 January 2019, Robert Peugeot's term of office reached 12 years.

He was reappointed at the General Meeting of 5 June 2018 for a period of one year so as to replace him under the best possible conditions with a new independent member of the Supervisory Board at the General Meeting to be held in 2019. The Supervisory Board deemed it better to have a slightly lower proportion of independent members on the

Board (25%) and Audit and Risk Committee (40%) than required by the AFEP-MEDEF Code for a few months, rather than to waive one of the independence criteria with regard to Robert Peugeot.

Ms Sharon MacBeath resigned from her position as a member of the Supervisory Board as of 20 March 2019 for personal reasons.

With Mr Robert Peugeot losing his independent member status and Ms Sharon MacBeath resigning, the proportion of independent members on the CAG-CSR Committee falls below the level required by the AFEP-MEDEF Code.

On the publication date of this Registration Document, the Board, in conjunction with the CAG-CSR Committee, is continuing its selection process in order to propose the appointment, at the General Meeting to be held on 4 June 2019, of two new independent members to replace Mr Robert Peugeot and Ms Sharon MacBeath. These new members will be appointed members of the CAG-CSR Committee and Audit and Risk Committee.

### 3.1.4.7 Business ethics of the Supervisory Board

#### Rules of procedure

At its meeting of 18 March 2009 the Supervisory Board adopted its rules of procedure, which set out the terms governing the structure and functioning of Hermès International's Supervisory Board and its committees, in addition to applicable legal and statutory provisions. Their purpose is to enhance the quality of the Board's work by promoting the application of good corporate governance principles and best practices, in the interests of ethics and greater effectiveness. It has been revised several times, notably to comply with legislative and regulatory developments and to take into account the recommendations of the AMF as well as revisions to the AFEP-MEDEF Code.

These rules of procedure are revised on a regular basis to be in line with revisions of the AFEP-MEDEF Code and with the regulatory environment.

The twelfth version of the rules of procedure dated 19 March 2019 is set out in full on page 207 and each update is made available online at <https://finance.hermes.com/en/Corporate-Governance/Management-Bodies/The-Supervisory-Board>.

On 26 January 2018 the Supervisory Board's rules of procedure were updated as follows:

- ◆ the procedure for declaring business relationships was clarified (§ 1.1.3.6.);
- ◆ the new terms for distributing directors' fees adopted in June 2017 were included (§ 3.1.).

The Supervisory Board's rules of procedure were updated on 11 September 2018 in particular to include certain provisions of the AFEP-MEDEF Code revised in June 2018, as follows:

- ◆ addition of the new duty assigned to the Chairman of the Supervisory Board regarding communication with shareholders (decision of the Supervisory Board of 20 March 2018);
- ◆ update of the date of revision of the Code (§ 1.1.21.);
- ◆ inclusion of the provisions of Articles 1.4 to 1.7, 4.4 and 6.2 of the Code (§ 1.2.4.);
- ◆ addition of the provisions of Article 19 of the Code (§ 1.1.3.6.).

The Supervisory Board's rules of procedure were updated on 25 January 2019 and 19 March 2019 as follows:

- ◆ update of the name of the CAG-CSR Committee;
- ◆ addition of rules whereby the Board is informed of the Company's financial position, the cash position and commitments;
- ◆ update of the name of the Audit and Risk Committee.

#### Stock Market Ethics Code

On 26 January 2011 the Supervisory Board adopted an ethical charter with the aim of contributing to the quality of the work of Supervisory Board members by promoting the application of corporate governance principles and best practices in terms of ethics and effectiveness.

In early 2017 the Supervisory Board's ethical charter was replaced:

- ◆ by **the Hermès Group Code of Stock Market Ethics** which lays out ethical guidelines on *Preventing Insider Trading, Market Ethics, Closed Period Obligations, and Disclosure Obligations*. This Code, whose implementation is recommended by the AMF, came into force on 1 February 2017 as part of the update of the market abuse prevention system within the Hermès Group;
- ◆ by **the Supervisory Board's** rules of procedure, which adopted in full the remaining provisions.

A summary of the Hermès Group Code of Stock Market Ethics is provided on page 352 and each update is made available online at <https://finance.hermes.com/en/Corporate-Governance/Management-Bodies/The-Supervisory-Board>.

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

- ◆ inclusion of precautionary measures concerning broadcast/comments on social networks and media in connection with the Hermès Group;
- ◆ update of the applicable regulations (CNIL Decision 2017-200 dated 6 July 2017, ESMA interpretations, adaptation to GDPR);
- ◆ editorial details.

#### Attendance

The Supervisory Board's rules of procedure (Article 1.1.3.8.) note that members of the Supervisory Board shall regularly and diligently take part in meetings of the Board and its Committees to which they belong.

The principles governing the distribution of directors' fees and compensation adopted by the Board include a variable component in proportion to attendance at meetings, which is currently 64.53% for the Supervisory Board and 60% for the Committees. Remote attendance using telecommunications facilities must remain exceptional but is remunerated under the same conditions.

In 2018, the Supervisory Board met nine times (including a visit which was not taken into account for calculating attendance) with an almost 100% rate of attendance as shown in the table below:

2018	Attendance at Supervisory Board meetings	Attendance at CAG-CSR Committee meetings	Attendance at Audit and Risk Committee meetings
<b>Average attendance</b>	<b>94.23%</b>	<b>90.00%</b>	<b>86.67%</b>
Éric de Seynes (Chairman)	100.00%	n/a	n/a
Monique Cohen (Vice-Chairwoman)	87.50%	n/a	100.00%
Dominique Senequier (Vice-Chairwoman)	75.00%	100.00%	n/a
Frédéric Afriat (Employee representative)	100.00%	n/a	n/a
Dorothee Altmayer	100.00%	n/a	n/a
Charles-Éric Bauer	75.00%	n/a	83.33%
Matthieu Dumas	100.00%	100.00%	n/a
Blaise Guerrand	100.00%	n/a	n/a
Julie Guerrand	100.00%	n/a	n/a
Olympia Guerrand	100.00%	n/a	n/a
Sharon MacBeath	100.00%	100.00%	100.00%
Renaud Momméja	100.00%	n/a	83.33%
Robert Peugeot	87.50%	60.00%	66.67%

n/a: not applicable.

### Conflicts of interest – Business relationships – Service contracts with benefits

Article 1.1.3.6 of the Supervisory Board's rules of procedure states that:

*“Members of the Supervisory Board shall endeavour to avoid any possible conflict between their moral and material interests and those of the Company. They shall inform the Supervisory Board of any conflicts of interest in which they might be involved. In cases where a conflict of interest cannot be avoided, they shall refrain from taking part in any discussions or decisions related to the matters concerned.*

*Each member of the Supervisory Board must also draw up a signed declaration stating whether or not there is a conflict of interest, even a potential one:*

- ♦ at the time of his or her appointment;
- ♦ every year when the Registration Document is prepared.”

The declaration describes all possible situations, with precise examples, inviting the members of the Board to declare all situations that could represent a potential conflict of interest.

The declaration serves as a basis to assess the material nature of business relationships that could affect the independence of a Board member as required by recommendation 8.5.3 of the AFEP-MEDEF Code. The assessment criteria are quantitative (amount of sales or revenue generated during the financial year and the percentage represented by those amounts in relation to the counterparty's total sales or revenue) and qualitative (nature of existing business relationships).

As regards the quantitative criteria, the Supervisory Board did not consider it appropriate, given the diversity of possible situations, to set a threshold below which a business relationship would be deemed immaterial. The assessment is made on a case-by-case basis.

Ms Monique Cohen, Ms Sharon MacBeath and Mr Robert Peugeot declared no business relationships with the Company.

Ms Dominique Senequier declared a non-significant business relationship described on page 284 under related-party transactions.

After examining each of these situations in early 2019, the CAG-CSR Committee concluded that none of them were of such a nature as to constitute a conflict of interest for the persons concerned and that none of the independent members of the Board had, directly or indirectly, significant business relationships with the Company or its group.

No service contract exists between the Supervisory Board members and the Company, or any of its subsidiaries, that would result in benefits being granted pursuant to such a contract.

### Plurality and number of offices

The offices of members of the Supervisory Board are not taken into account when calculating the plurality of offices, Articles L. 225-21 and L. 225-77 of the French Commercial Code being expressly excluded from the provisions applicable to partnerships limited by shares.

The examination of the situation of each member of the Supervisory Board and of the Executive Chairmen as regards the plurality and number of offices, showed that no member of the Supervisory Board or Executive Chairman was in a situation of concurrent holding of offices, with regard

to both the legal rules and to the principles set out in Article 18.4 of the AFEP-MEDEF Code revised in June 2018.

### Number of shares to be held by members of the Supervisory Board

The rules of procedure require Supervisory Board members, except for the Employee representative, for whom this requirement is waived, to own a relatively significant number (200) of registered shares. The value of these shares based on the Hermès International share price at 31 December 2018 (€484.80) is equal to more than three years of directors' fees.

At its meeting of 25 January 2019 the Supervisory Board noted that all members of the Supervisory Board complied with this obligation.

### 3.1.4.8 Functioning of the Supervisory Board

#### Role of the Supervisory Board

The primary role of the Supervisory Board of a *société en commandite par actions* (partnership limited by shares) is to maintain ongoing control over the Company's management in accordance with the law and with the Articles of Association. In this respect, the Supervisory Board is responsible for assessing the advisability of strategic choices; monitoring the correctness of Executive Management's actions; ensuring equal treatment of all shareholders; and verifying the procedures implemented by the Company to ensure the fairness and accuracy of the parent company and consolidated financial statements. To fulfil these obligations, every year, the Supervisory Board presents any comments it may have on the parent company and consolidated financial statements, decides on the proposed allocation of net income, and provides all recommendations and authorisations.

The Supervisory Board describes the due diligence procedures it carried out during the year ended 31 December 2018 in a report presented to the General Meeting called to approve the financial statements (page 396). The functions exercised by the Supervisory Board do not entail any interference with the Executive Management, or any liability arising from the management's actions or from the results of such actions.

In accordance with Article L. 226-10-1 of the French Commercial Code (*Code de commerce*), the Supervisory Board also presents this report on corporate governance.

As an extra-statutory mission, the rules of procedure call for the Board to approve or refuse an Executive Chairman's acceptance of any new appointment within a listed company.

At its meeting of 26 January 2018 the Supervisory Board approved the acceptance by Mr Axel Dumas of a directorship at L'Oréal.

#### Duties of the Chairman of the Supervisory Board and activity report – Communication with shareholders

At its meeting of 20 March 2018 the Supervisory Board made its Chairman responsible for communicating with shareholders on behalf of the Board, with a view to:

- ◆ explaining the positions taken by the Supervisory Board in its areas of competence (particularly with regard to governance and executive compensation), which were previously the subject of a communication;

- ◆ ensuring that shareholders receive the information they expect from the Company.

The Chairman may seek the assistance of internal experts in these areas (in particular Ms Carole Dupont Pietri, Group Financial Operations and Investor Relations Director or Ms Nathalie Besombes, Corporate Law and Stock exchange regulations Director, Supervisory Board Secretary and Securities Compliance Officer).

The Chairman must report annually to the Supervisory Board on the execution of his or her duties.

No additional compensation is allocated to the Chairman for executing these duties.

In early 2019, the Chairman reported to the Supervisory Board on the performance of his duties in 2018.

In particular, he stated:

- ◆ having answered questions from individual shareholders during and after the General Meeting;
- ◆ having answered questions from institutional shareholders;
- ◆ having responded to questionnaires from stakeholders.

In 2018 the Board did not give the Chairman of the Supervisory Board any duties other than those conferred by law.

#### Supervisory Board's master file

Since 2011 a "master file" has been provided to the members of the Supervisory Board. It has been available since 2016 on the Board's collaborative platform, "Herboard" (see below).

It currently contains the following sections:

- ◆ a list with contact details of the members of the Executive Committee, Supervisory Board and Board Committees and the Board Secretary;
- ◆ a table of the dates of terms of office;
- ◆ the Supervisory Board rules of procedure;
- ◆ the Audit and Risk Committee rules of procedure;
- ◆ the CAG-CSR Committee rules of procedure;
- ◆ the Hermès Group Code of Stock Market Ethics;
- ◆ a calendar of closed periods applicable to Permanent Insiders;
- ◆ the AMF guide on ongoing information and managing inside information;
- ◆ regulations regarding the declaration obligations of Senior Executives and registration of shares;
- ◆ principles governing the distribution of directors' fees;
- ◆ rules on the reimbursement of expenses;
- ◆ certification and summary of Corporate Officers' civil liability insurance;
- ◆ the three most recent Registration Documents;
- ◆ the convening notice for the last General Meeting;
- ◆ a summary of the results of the last formal three-year evaluation of the Supervisory Board;
- ◆ presentations made during site visits since 2011;

- ◆ the Hermès Group code of business conduct (Hermès Group guidelines);
- ◆ ethical charter of the Hermès Group;
- ◆ presentations of Hermès International and Émile Hermès SARL;
- ◆ the annotated Articles of Association.

This master file is updated on a regular basis.

### Supervisory Board meetings

The procedures for calling meetings and the rules governing quorum and majority are described in the Articles of Association (Article 1.9) and in the Supervisory Board's rules of procedure.

The Supervisory Board meets at least twice per year in accordance with the Articles of Association. The Supervisory Board met nine times in 2018.

The Statutory Auditors and the Works council representatives are systematically invited to attend all Supervisory Board meetings.

Furthermore, as in previous years, the Chairman of the Supervisory Board was invited to attend all meetings of the Executive Management Board of Émile Hermès SARL.

To ensure that Supervisory Board meetings are held in due and proper form, a file containing background documents related to issues on the agenda is sent to each Board member before every meeting, and since 2011, at least 48 hours beforehand whenever possible. Persons who are not Board members, in particular members of the Executive Committee and of the Liaison Committee, may be invited to attend Board meetings at the Chairman's discretion, in order to provide any information that members of the Board might require to reach a full understanding of matters on the agenda and that are technical in nature or require special expertise.

Minutes are drawn up at the end of each meeting and sent to all Board members, who are invited to comment.

Any comments are discussed at the next Supervisory Board meeting, which approves the final text of the minutes of the previous meeting.

### The "Herboard" collaborative platform

Since 2016 the Supervisory Board has made use of a secure paperless collaborative Board management platform hosted in France by Oodrive and customised for Hermès.

Dubbed "Herboard" at Hermès, the platform is accessible from a web browser or via a tablet application and can be used to:

- ◆ organise meetings (plan meetings, send meeting invitations, track attendance);
- ◆ provide highly secure and paperless Board documents relating to Board and committee meetings and to the Supervisory Board's master file in real time (via a username, password and confirmation code sent via SMS);
- ◆ manage document permissions and track document use;
- ◆ circulate minutes and reports.

Following the implementation of Herboard, an iPad® is given to Supervisory Board members who request one.

### Training for Supervisory Board members – Integration programme

Supervisory Board members can make use of the Company's group membership of IFA ("Institut Français des Administrateurs"), and thereby take advantage of all of its services and training. Ms Julie Guerrand became a certified company Board member (receiving the ASC France Certificate) in 2013 and Mr Matthieu Dumas in 2015. Other Board members will likely be taking part in this company governance certification programme carried out by IFA in partnership with Sciences Po.

In 2014 the CAG-CSR Committee set up an integration and training programme for new Board members, which entails:

- ◆ receiving a new Supervisory Board member integration kit of legal and governance documents containing:
  - the Supervisory Board's master file (see pages 178 and 179),
  - the "20 years in the stock market" booklet (2013),
  - the Supervisory Board's dashboard for the current year,
  - the schedule of Supervisory Board meetings for the next three years,
  - the IFA Director handbook (2014);
- ◆ joining the three-day in-house "Mosaic" immersion training session with employees;
- ◆ being briefed on the Company's ownership structure and Active Partner (Émile Hermès SARL);
- ◆ "catching up" on site visits (see page 181) since 2011 (if necessary);
- ◆ taking part in IFA training (if necessary);
- ◆ being briefed on the new Hermès product collections.

### Expense reimbursements

Supervisory Board members are reimbursed for travel, accommodation and restaurant expenses incurred to attend the Supervisory Board meetings, upon presentation of substantiating documents or receipts. These reimbursements are capped (see rules of procedure, page 209) and based on the rules applicable to Group employees.

### Directors' fees and compensation

Information relating to directors' fees and compensation of the Supervisory Board is presented on page 202.

## 3.1.4.9 Activities of the Supervisory Board

### Group activity and finance

In 2018 the Supervisory Board was informed of the Group's activities at each of its meetings and in particular:

- ◆ was given a presentation by the Executive Management on the annual and interim consolidated financial statements and parent company financial statements;

- ◆ examined the 2018 budget;
- ◆ reviewed documents on forecasting and planning;
- ◆ determined the allocation of earnings to be put to the General Meeting of 5 June 2018;
- ◆ reviewed the situation of certain equity investments;
- ◆ formally noted proposals for acquisitions, disposals and equity investments;
- ◆ formally noted investment proposals;
- ◆ examined the reports and work of the Audit and Risk Committee described on pages 189 *et seq.*;
- ◆ formally noted the proposed change to the timetable of financial publications, Board meetings and General Meeting in 2020.

#### Recommendations, authorisations and other items

In 2018, the Supervisory Board:

- ◆ authorised and reclassified related-party agreements and carried out an annual review of those for which the effects were ongoing (see the Supervisory Board's report to the General Meeting on page 396);
- ◆ approved the resolutions put to the Combined General Meeting of 5 June 2018 and acquainted itself with the reports drawn up by the Executive Management;
- ◆ approved the presentation and the amendment to the 6th resolution of the General Meeting of 5 June 2018 proposed by the Executive Management;
- ◆ formally noted the summary statement of services provided by Hermès International to Émile Hermès SARL in 2017 and projections for 2018;
- ◆ discussed the Company's policy with regard to gender equality and equal pay;
- ◆ approved the updated lists of authorised signatories and banks of Hermès International;
- ◆ renewed (overall limit given to the Executive Management in favour of subsidiaries) or authorised (special authorisations) the sureties, endorsements or guarantees granted by Hermès International;
- ◆ conducted the annual review of all sureties, endorsements and guarantees granted and still in force;
- ◆ approved the updated rules of procedure of the Supervisory Board, the CAG-CSR Committee and the Audit and Risk Committee;
- ◆ drew up responses where applicable to the opinion of the Works council on the Company's strategic orientations;
- ◆ approved the updated Code of Market Ethics of the Hermès Group;
- ◆ noted the responsibility inherent in holding inside information;
- ◆ approved the acceptance by Mr Axel Dumas of a directorship at L'Oréal;
- ◆ formally noted the appointment of a Group Data Protection Officer.

#### Governance – Appointments – Compensation

In 2018 the Supervisory Board:

- ◆ reviewed and/or approved the reports and work of the CAG-CSR Committee described on page 185 *et seq.*;
- ◆ set the allocation and payment of compensation and directors' fees for 2017 to Board and Committee members;
- ◆ kept itself informed at each meeting of all transactions carried out by the Executive Chairmen pursuant to the AMF's position-recommendation set out in DOC-2016-08 "Guide to permanent information and managing inside information";
- ◆ approved the proposals of reappointment or replacement of members of the Supervisory Board to be considered at the General Meeting;
- ◆ decided on the composition of the Audit and Risk Committee and the CAG-CSR Committee after the General Meeting;
- ◆ confirmed the diversity targets set for the composition of the Board;
- ◆ assigned to the Chairman of the Supervisory Board the responsibility for communicating with shareholders on behalf of the Board;
- ◆ decided to strengthen the role of the Audit and Risk Committee and the CAG-CSR Committee;
- ◆ attended a presentation on the non-discrimination and diversity policy in the governing bodies.

At each meeting the CAG-CSR Committee informed the Supervisory Board of current events relating to governance (e.g. AMF reports, AFEP-MEDEF reports, HCGE report and implementation guide, IFA studies).

#### Ethics and compliance – Personal data protection

Ethics and compliance issues as well as the related programmes have been shared regularly with the Supervisory Board since 2015.

A presentation to the Supervisory Board on the personal data protection system, in accordance with the GDPR (European regulation No. 2016/679 of April 27, 2016), implemented in the Group, is planned for 2019.

The systems implemented in the Group are described on pages 214 *et seq.*

The Supervisory Board's rules of procedure were updated on 11 September 2018 in particular to include new duties relating to the system for the prevention and detection of corruption and influence-peddling (§ 1.2.4.2.) in accordance with the new provisions of the AFEP-MEDEF Code revised in June 2018.

On 16 November 2018, the Audit and Risk Committee was assigned a new duty relating to the prevention of corruption: *Ensure the implementation of a system for the prevention and detection of corruption and influence-peddling.*

On 19 March 2019, the Supervisory Board decided to rename the Audit Committee the "Audit and Risk Committee".

In 2018 the Supervisory Board:

- ◆ approved the strengthening of the corruption prevention plan in compliance with law 2016-1691 of 9 December 2016, known as "Sapin II", within the Group;
- ◆ formally noted the appointment of a Group Data Protection Officer;
- ◆ conducted the annual review of anti-corruption procedures within the Group.

In early 2019, the Director of Legal Compliance and Public Affairs presented to the Supervisory Board, the ethics and compliance programmes / compliance action plan:

- ◆ professional alert procedure and Ethics Committee;
- ◆ strengthening of the corruption prevention plan in compliance with law 2016-1691 of 9 December 2016, known as "Sapin II" law, on transparency, the fight against corruption and the modernisation of economic life:
- ◆ monitoring by the French Anti-corruption Agency,
- ◆ corruption risk mapping,
- ◆ 2019 Action plan: anti-corruption code of conduct, alert system, training, tools for assessment of third parties, audits,
- ◆ roll-out of the vigilance plan in accordance with law 2017-399 of 27 March 2017 concerning the duty of care of parent companies and contractors,
- ◆ anti money-laundering, international sanctions and embargoes,
- ◆ presentation of the new code of business conduct.

### Corporate social responsibility – CSR

A presentation of CSR challenges has been made to the Board regularly since 2015.

The Supervisory Board's rules of procedure were updated on 11 September 2018 in particular to include new duties relating to CSR issues (§ 1.2.4.2.) in accordance with the new provisions of the AFEP-MEDEF Code revised in June 2018.

On 16 November 2018, the Supervisory Board decided to rename the "Compensation, Appointments and Governance Committee" as the "CAG-CSR Committee".

The CAG-CSR Committee was assigned new duties relating to social and environmental responsibility:

- ◆ assist the Supervisory Board in monitoring issues relating to CSR so that the Hermès Group can better foresee and tackle opportunities, challenges and the related risks;
- ◆ assist the Supervisory Board in monitoring the Hermès Group's social policy and the non-discrimination and diversity policy.

In 2018 the Supervisory Board:

- ◆ attended a presentation on product recycling;
- ◆ formally noted the Group's challenges in terms of sustainable development and CSR.

### Major annual topics – Site visits

Every year, at least one detailed presentation on a specific or general topic regarding the Group's activities is provided by the relevant management team. Since 2011 the Board has devoted one of its meetings to a site visit to improve its understanding of one of the Group's subsidiaries.

In 2018 the Board:

- ◆ attended a presentation on the Group Disability Agreement;
- ◆ attended a presentation on the Group's health and well-being at work initiative;
- ◆ visited the John Lobb bespoke workshops in Mogador;
- ◆ visited the Ateliers de tissages de Bussières et de Challes and the Ateliers d'Ennoblement d'Irigny, where it was given a presentation on the business, the results of these companies and the Silk division and a visit of the workshops.

### 3.1.4.10 Evaluation of the Supervisory Board and Committees

#### Evaluation of the Supervisory Board

Given the progress made by the Company in recent years in terms of governance, the Supervisory Board decided in 2011 to carry out a questionnaire-based self-evaluation only once every three years, while maintaining a discussion on the functioning of the Board every year.

To avoid making the CAG-CSR Committee's three-year self-evaluation process repetitive and tedious, it was decided in 2016 to change it by giving the full questionnaire to new Board members and an abridged version to existing Board members.

One question bears on the effective contribution of each member to the work of the Board. In this questionnaire, Board members who wish are invited to meet individually with the Chairman of the CAG-CSR Committee for more in-depth discussions and also to provide further information in relation to the questionnaire.

An anonymous and overall presentation of the analysis of the responses to questionnaires is given by the Chairman of the CAG-CSR Committee to the Supervisory Board.

The conditions, detailed procedures and areas for improvement identified during the last formal three-year self-assessment in 2016 are described in the 2016 registration document (pages 118 and 119). During this formal evaluation the Supervisory Board deemed its functioning to be very satisfactory overall.

The CAG-CSR Committee considered it undesirable to call on an outside firm to conduct a formal assessment of the Board for the following reasons:

- ◆ confidentiality concerns raised by giving information on the Board to a third party;
- ◆ the relative absence of weak signals raised by previous assessments;

- ♦ progress in terms of governance over the last six years;
- ♦ the relatively low value added expected from an outside firm.

In late 2018 and early 2019 the CAG-CSR Committee reviewed the functioning of the Supervisory Board at one of its meetings and examined the areas of improvement identified by the Board in late 2017.

All areas of improvements – which mainly consisted of refining the text for the “Corporate Governance” section of the registration document to include the latest recommendations in matters of governance – had been implemented (see table below).

### Areas of improvement implemented in 2018 and early 2019

### Text justifying improvement

The areas of improvement implemented before 12 April 2018 (date Registration Document filed with the AMF) are provided in the 2017 Registration Document on page 149.

#### Corporate governance

Specific information on the areas of expertise of Board members in the form of table / summary / chart

- ♦ These items are addressed in this Registration Document (see page 150).

2018 EY Labrador Rating

Recommendation to explain the decision-making process associated with its development of the succession plan of Executive Corporate Officers, including, for example, the role of the competent committee, the time horizon for which the plan has been developed, the frequency with which it is reviewed, and the procedures for potentially involving the Senior Executive in question.

- ♦ These items are addressed in this Registration Document (see page 139).

2018 AMF report on corporate governance and Senior Executive compensation of listed companies

Recommendation that the Board regularly review the components of compensation likely to be owed at the time of or after the departure of a Senior Executive and that it consider whether it is possible and advisable to comply with the new provisions of the code, particularly at the time of a reappointment.

- ♦ The CAG-CSR Committee carried out this review in early 2019 and concluded that no alignment was necessary (see page 136).

2018 AMF report on corporate governance and Senior Executive compensation of listed companies

Recommended that companies disclose the various benefits potentially granted depending on the departure scenario (voluntary departure, forced departure and retirement) in the Registration Document and compensation policy.

- ♦ These items are addressed in this Registration Document (see page 192).

2018 AMF report on corporate governance and Senior Executive compensation of listed companies

Recommendation that the corporate governance report and the Registration Document include a comprehensive multi-year view of implementation of the compensation policy, in addition to the policy itself and the prior-year compensation.

- ♦ These items are addressed in this Registration Document (see page 191).

2018 AMF report on corporate governance and Senior Executive compensation of listed companies

Recommendations that the review period for fixed compensation is stated.

- ♦ This item has been addressed in this Registration Document (see page 191).

2018 AMF report on corporate governance and Senior Executive compensation of listed companies

Recommended to follow the tables presented in Appendix 3 of the AFEP-MEDEF Code, in particular with a view to reporting on changes in the composition of the Board: departure, appointment, reappointment, stating in particular the changes that reflect diversification (in terms of representation of women, nationality and international experience).

- ♦ These items are addressed in this Registration Document (see page 149).

Recommendation AMF DOC 2012-02 amended on 30 November 2018  
AFEP-MEDEF Code revised in June 2018

#### Ethics and compliance

Enhance communication on ethics/compliance

- ♦ These items are addressed in this Registration Document (see page 214 et seq.).

2018 EY Labrador Rating

#### Internal control / Internal audit / Fraud prevention

Transparency of information on internal control

Internal audit system

Fraud prevention system

- ♦ These items are addressed in this Registration Document (see page 42 et seq. and page 217).

2018 EY Labrador Rating

#### Assessment of the CAG-CSR Committee

The CAG-CSR Committee carried out its self-assessment and concluded, as in previous years, that its functioning was satisfactory.

This assessment takes into account the work carried out by the CAG-CSR Committee and the answers provided on the functioning of the CAG-CSR Committee as part of the last formal evaluation of the Board.

### Evaluation of the Audit and Risk Committee

The work and functioning of the Audit and Risk Committee were assessed in 2016 as part of the three-year formal self-evaluation of the Supervisory Board and were deemed very satisfactory overall.

#### 3.1.4.11 Specialised committees

Two specialised committees were created in 2005:

- ◆ the Audit Committee on 26 January 2005, whose duties the Board then decided to expand and which was renamed the "Audit and Risk Committee" (19 March 2019);
- ◆ the Compensation Committee (26 January 2005), subsequently assigned new duties and responsibilities by the Board and renamed the Compensation, Appointments (18 March 2009), Governance (20 January 2010) and CSR (16 November 2018) Committee or the "CAG-CSR Committee".

These committees act under the collective and exclusive responsibility of the Supervisory Board. Their role is to research and to prepare for certain deliberations of the Board, to which they submit their opinions, proposals or recommendations.

The Company's CAG-CSR Committee is not tasked with setting the compensation of the Executive Chairmen, a task governed by the provisions of the Articles of Association and which falls within the remit of the Active Partner and not the Supervisory Board. It was therefore not relevant to create a Compensation Committee separate from the Appointments Committee.

#### Table of changes in the composition of the Committees over the year

At its meeting of 5 June 2018 the Supervisory Board:

- ◆ reappointed Ms Monique Cohen (Chairwoman), Ms Sharon MacBeath, Mr Charles-Éric Bauer, Mr Renaud Momméja and Mr Robert Peugeot to the Audit and Risk Committee;
- ◆ reappointed Ms Dominique Senequier (Chairwoman), Ms Sharon MacBeath, Mr Matthieu Dumas and Mr Robert Peugeot to the CAG-CSR Committee.

	Departures	Appointments	Renewals
Audit and Risk Committee			Ms Monique Cohen (05/06/2018) Mr Charles-Éric Bauer (05/06/2018) Ms Sharon MacBeath (05/06/2018) Mr Renaud Momméja (05/06/2018) Mr Robert Peugeot (05/06/2018)
CAG-CSR Committee			Ms Dominique Senequier (05/06/2018) Mr Matthieu Dumas (05/06/2018) Ms Sharon MacBeath (05/06/2018) Mr Robert Peugeot (05/06/2018)

### CAG-CSR COMMITTEE

#### Composition and functioning of the CAG-CSR Committee at 31 December 2018

The CAG-CSR Committee comprised the following members:

- ◆ Ms Dominique Senequier, Chairwoman (independent);
- ◆ Mr Matthieu Dumas, member;
- ◆ Ms Sharon MacBeath, member (independent);
- ◆ Mr Robert Peugeot, member (independent).

Ms Sharon MacBeath resigned from her position as a member of the Supervisory Board with effect from 20 March 2019, and consequently also resigned from her position as a member of the CAG-CSR Committee on the same date.

The composition rules, duties and operating provisions of the CAG-CSR Committee are described in detail in the rules of procedure approved by the Supervisory Board and have existed since 24 March 2010.

These rules of procedure are revised on a regular basis to be in line with revisions of the AFEP-MEDEF Code and the regulatory environment.

The CAG-CSR Committee's rules of procedure were updated on 20 March 2018 as follows:

- ◆ a new and clearer format was adopted;

- ◆ a new governance duty was added, namely to ensure the existence of a succession plan for the Chairman of the Supervisory Board.

The CAG-CSR Committee's rules of procedure were updated on 16 November 2018 to:

- ◆ rename it "Compensation, Appointments, Governance and CSR Committee" or "CAG-CSR Committee";
- ◆ assign new duties to it relating to social and environmental responsibility:
  - assist the Supervisory Board in monitoring issues relating to CSR so that the Hermès Group can better foresee and tackle opportunities, challenges and the related risks,
  - assist the Supervisory Board in monitoring the Hermès Group's social policy and the non-discrimination and diversity policy.

The third version of the rules of procedure dated 16 November 2018 is set out in full on page 210 and each update is made available online at <https://finance.hermes.com/en/Corporate-Governance/Management-Bodies/The-Specialized-Committees-of-the-Supervisory-Board>.

These rules of procedure provide that at least half of the members of the CAG-CSR Committee must, at the time of their appointment and for the duration of their mandate, be qualified as independent under the Supervisory Board's rules of procedure.

The Chairman of the Supervisory Board can be invited to certain CAG-CSR Committee meetings in order to hear its opinion in matters of appointments or governance, which was not the case in 2018.

The Executive Chairmen are only invited for that part of meetings relating to the compensation of Executive Committee members (excluding the Executive Chairmen).

#### Summary presentation of the members of the CAG-CSR Committee at 31 December 2018

Name	Independent	Date of appointment	Term of office on the Board	Length of service on the Committee
Dominique Senequier (Chairwoman)	√	04/06/2013	2019 GM	6 years
Matthieu Dumas		03/06/2008	2021 GM	11 years
Sharon MacBeath	√	06/06/2017	2019 GM	2 years
Robert Peugeot	√	03/06/2008	2019 GM	11 years

#### Changes to the CAG-CSR Committee after 31 December 2018

Mr Robert Peugeot had served in his post for 12 years on 24 January 2019 and accordingly lost his independent member status of the Board under the criteria of the AFEP-MEDEF Corporate Governance Code.

Ms Sharon MacBeath resigned from her office as a member of the Supervisory Board as of 20 March 2019, meaning that she also resigned from her office as a member of the CAG-CSR Committee on the same date.

On the publication date of this Registration Document, the Board, in conjunction with the CAG-CSR Committee, is continuing its selection process in order to propose the appointment, at the General Meeting to

be held on 4 June 2019, of two new independent members to replace Mr Robert Peugeot and Ms Sharon MacBeath. These new members will be appointed members of the CAG-CSR Committee.

#### Duties and activities of the CAG-CSR Committee in 2018

In 2018 the CAG-CSR Committee met five times (as opposed to six times in 2017).

Individual and average rates of attendance are indicated in the table on page 177.

### Duties of the CAG-CSR Committee

The CAG-CSR Committee studies and prepares certain proceedings of the Supervisory Board and submits to the Supervisory Board its opinions, proposals and recommendations. Without prejudice to the powers of the Supervisory Board, which it does not replace, the duties of the CAG-CSR Committee are to:

#### With respect to compensation

- ♦ be consulted and draw up recommendations from the Supervisory Board to the Executive Management on the terms governing the compensation paid to Executive Committee members;
- ♦ be consulted and draw up recommendations from the Supervisory Board to Executive Management on the terms and conditions of granting any stock options and free shares to Executive Committee members;
- ♦ draw up proposals and opinions on the total amount and distribution, in particular on the basis of attendance of Supervisory Board members at meetings, of directors' fees and other compensation and benefits awarded to members of the Supervisory Board and its Committees;
- ♦ review proposals for stock options and free share awards to Senior Executives to enable the Supervisory Board to determine the aggregate or individual number of options or shares allotted and the terms and conditions of allotment;
- ♦ review proposals for stock options and free share awards to employees and draw up recommendations thereon to Executive Management;
- ♦ assist the Board in determining the conditions and performance criteria to be applied to awarding stock options, performance-based shares and/or additional pensions to the Executive Chairmen;
- ♦ ensure that the compensation of and other commitments made to the Executive Chairmen complies with the Articles of Association and the decisions made by the Active Partner;
- ♦ acquaint itself with and make recommendations to the management or supervisory bodies of the main French subsidiaries within the Hermès Group on the compensation of Executive Corporate Officers;
- ♦ acquaint itself with and make recommendations to the management or supervisory bodies of the main French subsidiaries within the Hermès Group on the terms and conditions of the award of stock options to Executive Corporate Officers;
- ♦ carry out specific assignments entrusted to it by the management or supervisory bodies of the main French subsidiaries within the Hermès Group.

#### With respect to appointments

- ♦ prepare the Board's proposals to the Active Partner after examining all the elements which it must take into account in its deliberation: balance to be sought in the composition of the Board in light of the composition of, and changes in, the Company's shareholders, search for and appraisal of possible candidates and opportunity for reappointments;
- ♦ organise a selection procedure in conjunction with the Executive Chairmen for future independent members of the Board and carry out its own research on potential candidates;
- ♦ ensure a succession plan for Executive Corporate Officers (the Executive Chairmen) drawn up by the Active Partner;
- ♦ ensure the existence of a succession plan for the Chairman of the Supervisory Board (*new mission since 20 March 2018*).

### Activities of the CAG-CSR Committee in 2018

In 2018, as in the previous year, the CAG-CSR Committee used a dashboard to plan and prepare its work in a balanced way over the year. In 2018 the CAG-CSR Committee was required to examine and/or make recommendations on many subjects and in particular to:

#### With respect to compensation

- ♦ review chapter 3 "Corporate Governance" of the 2017 Registration Document, the sections on compensation of Senior Executives (executive management report) and the description of the proposed resolutions relative to the advisory opinion ("Say on Pay") regarding Senior Executive compensation;
  - ♦ propose the distribution of directors' fees and compensation payable to Board and Committee members for 2017;
  - ♦ present company policy regarding gender equality and equal pay;
  - ♦ present the two-yearly Talent review process and summary of results;
  - ♦ compensation for 2018 of the Hermès International Executive Chairmen and the press release to be put up on the financial website;
  - ♦ review compensation in respect of 2018, bonuses paid in respect of 2017 and target bonuses in respect of 2018 for Executive Committee members;
  - ♦ confirm compensation in respect of 2018, bonuses paid in respect of 2017 and target bonuses in respect of 2018 for the Corporate Officers of French subsidiaries who receive compensation for their term of office;
  - ♦ review the performance in 2017 and the impact on the number of free share rights awarded to beneficiaries subject to performance conditions under the 2016 selective free share plan.
- The CAG-CSR Committee reviewed current events in matters of compensation:
- ♦ 2018 AFEP-MEDEF study on Hermès International's application of the Code with regard to compensation;
  - ♦ AFEP Study on the performance criteria of compensation for Senior Executives (June 2018);
  - ♦ IFA – Document on taxation of directors' fees and the 2018 finance act.

#### With respect to appointments

- ♦ assess changes in the composition of the Board and examine the candidatures of members of the Supervisory Board;
  - ♦ setting by the Board of diversity targets for the composition of the Board.
- The CAG-CSR Committee reviewed the latest reports on appointments: n/a in 2018

**With respect to corporate governance**

- ◆ recommend revisions to corporate governance rules as needed;
- ◆ periodically verify that independent Supervisory Board members meet the independence and objectivity criteria set out in the Supervisory Board's rules of procedure;
- ◆ review the composition of the specialised committees;
- ◆ oversee the annual evaluation of Supervisory Board practices;
- ◆ ensure that the management bodies apply the Supervisory Board's rules of procedure and the recommendations of the current AFEP-MEDEF Corporate Governance Code in their operations.

**With respect to corporate governance**

- ◆ examine the individual situation of Supervisory Board members and Executive Chairmen (independence, conflicts of interest, plurality of offices, number of shares) and Committee members (specific skills with regard to finance or accounting);
- ◆ update and circulate Supervisory Board documents (master file, rules of procedure, 2018 calendar of blackout periods);
- ◆ review the Corporate Governance chapter of the 2017 Registration Document;
- ◆ governance in the United States;
- ◆ update of the rules of procedure of the Supervisory Board;
- ◆ conduct an annual review of the Executive Management succession plan (in the presence of CAG-CSR Committee members only);
- ◆ succession plan for the Chairman of the Supervisory Board;
- ◆ proposal on strengthening the role of the Audit and Risk Committee and the CAG-CSR Committee to assist the Supervisory Board in its new duties;
- ◆ proposal on amendments to the rules of procedure of the Audit and Risk Committee and the CAG-CSR Committee to add the new duties assigned;
- ◆ information on the *Grand Prix de la Transparence* "Best improvement" awarded to Hermès International;
- ◆ 2018 transparency criteria: review of Hermès International's practices and follow up actions;
- ◆ conduct an informal annual evaluation of the work of the Board (areas of improvement identified at the end of 2017, state of play at the end of 2018, changes in governing texts to be monitored);
- ◆ update the rules of procedure of the Board to include the new conditions for the distribution of directors' fees decided in June 2017;
- ◆ self-assessment of the work of the CAG-CSR Committee (areas for improvement).

The CAG-CSR Committee reviewed the latest reports on governance:

- ◆ *Palmarès 2017 de la Féminisation des Grandes Entreprises* – SBF 120;
- ◆ 2017 AMF report on corporate governance and Senior Executive compensation of listed companies (November 2017);
- ◆ AMF – AMF recommendation "Corporate governance and Senior Executive compensation in companies referring to the AFEP-MEDEF Code – Consolidated presentation of the recommendations contained in the AMF – DOC -2012-02 annual reports " (November 2017);
- ◆ CLUB DES JURISTES – Report of the commission on communication between directors and shareholders (December 2017);
- ◆ MEDEF – Methodological guide CSR Reporting Non-financial performance reporting (September 2017) ;
- ◆ MEDEF – Integrated reporting; feedback (November 2017);
- ◆ AFEP – Table of voting policies AFG / PROXINVEST / ISS / GLASS LEWIS (February 2018);
- ◆ IFA – Role of the Chairman of the Board (January 2018);
- ◆ NOTAT SENARD Report – «L'entreprise, objet d'intérêt collectif» (9 March 2018);

- ◆ IFA / ETHICS & BOARD – First barometer on the composition of the Boards of CAC 40 listed companies after general meetings (June 2018);
- ◆ IFA – Document on the Sapin II law, the sections relating to combating corruption, whistle blowers and voting on Senior Executive compensation (April 2018);
- ◆ CLUB DES JURISTES – «Le rôle sociétal de l'entreprise» (April 2018);
- ◆ IFA – Document on GDPR (April 2018);
- ◆ AFEP – Assessment of GMs (July 2018);
- ◆ FINANCIAL ANALYSIS – «Gouvernance le 2ème âge de la transparence» (July 2018);
- ◆ IFA – Revision of the UK corporate governance code (July 2018);
- ◆ BASIC – «L'impact sociétal des grandes entreprises françaises» (June 2018);
- ◆ AFEP-MEDEF – Corporate Governance Code revised in June 2018;
- ◆ AFG Recommendations on Corporate Governance (January 2018);
- ◆ AFEP-MEDEF 2018 study on Hermès International's application of the code (governance);
- ◆ AMF – Report of the working group on the rights of shareholders and voting at general meetings (July 2018);
- ◆ AMF – General meetings of listed companies – DOC-2012-05 amended on 5 October 2018: review of Hermès International's practices and follow up actions;
- ◆ IFA – Practical guide for directors regarding their legal liability;
- ◆ 2018 AFEP-MEDEF HCGE annual report on Hermès International's practices (analysis and recommendations);
- ◆ France Board Index 2018 – SpencerStuart;
- ◆ 2018 EY LABRADOR governance overview: Hermès International's rating.

**With respect to CSR**

- ◆ assist the Supervisory Board in monitoring issues relating to CSR so that the Hermès Group can better foresee and tackle opportunities, challenges and the related risks;
- ◆ assist the Supervisory Board in monitoring the Hermès Group's social policy and the non-discrimination and diversity policy.

**With respect to CSR**

- ◆ n/a in 2018 (the new missions of the CAG-CSR Committee in CSR matters were granted to it on 16 November 2018 and no meeting of this committee was held prior to 31 December 2018.
- ◆ In early 2018 the CAG-CSR Committee conducted a self-assessment of its work and functioning and deemed them very satisfactory overall.

**AUDIT AND RISK COMMITTEE**

**Composition and functioning of the Audit and Risk Committee at 31 December 2018**

The Audit and Risk Committee comprises the following members:

- ◆ Ms Dominique Senequier, Chairwoman (independent);
- ◆ Mr Charles-Éric Bauer, member;
- ◆ Ms Sharon MacBeath, member (independent);
- ◆ Mr Renaud Momméja, member;
- ◆ Mr Robert Peugeot, member (independent).

Ms Sharon MacBeath resigned from her position as a member of the Supervisory Board as of 20 March 2019, and consequently also resigned from her position as a member of the Audit and Risk Committee on the same date.

The composition rules, duties and operating provisions of the Audit and Risk Committee are described in detail in the rules of procedure approved by the Supervisory Board, which have existed since 24 March 2010.

These rules of procedure are revised on a regular basis to be in line with revisions of the AFEP-MEDEF Code and the regulatory environment.

The Audit and Risk Committee's rules of procedure were updated on 16 November 2018 and 19 March 2019 in order to:

- ◆ assign to it two new duties relating to risk exposure and the prevention of corruption:
  - regularly review opportunities and exposure to risks such as financial, legal, operational, social and environmental risks, as well as the measures taken in the light of these,
  - ensure the implementation of a system for the prevention and detection of corruption and influence-peddling;
- ◆ include the new provisions of Articles 1 and 15.2 of the AFEP-MEDEF Code revised in June 2018 (§ 2.1, 2.2 and 2.3.);
- ◆ rename it the "Audit and Risk Committee".

The fifth version of the rules of procedure dated 19 March 2019 is set out in full on page 212 and each update is made available online at <https://finance.hermes.com/en/Corporate-Governance/Management-Bodies/The-Specialized-Committees-of-the-Supervisory-Board>.

These rules of procedure provide that at least half of the members of the Audit and Risk Committee must, at the time of their appointment and for the term of this office, be qualified as independent under the Supervisory Board's rules of procedure. This proportion was complied with until 24 January 2019.

Before each Audit and Risk Committee meeting, Audit and Risk Committee members are sent, in good time, with reasonable lead time

and subject to confidentiality requirements, a file containing documentation on items on the agenda requiring prior analysis and review.

In 2018 the Audit and Risk committee met six times (as in 2017).

Individual and average rates of attendance are indicated in the table on page 177.

### Summary presentation of members of the Audit and Risk Committee at 31 December 2018

Name	Independent	Specific expertise in finance or accounting	Date of appointment	Term of office on the Board	Length of service on the Committee
Monique Cohen (Chairwoman)	√	√	3/06/2014	2020 GM	5 years
Charles-Éric Bauer		√	26/01/2005	2019 GM	14 years <sup>1</sup>
Sharon MacBeath	√	√	31/05/2016	2019 GM	3 years
Renaud Momméja		√	3/06/2008	2020 GM	11 years
Robert Peugeot	√	√	3/06/2008	2019 GM	11 years

(1) Mr Charles-Éric Bauer was appointed to the Audit and Risk Committee before joining the Supervisory Board (before Order 2008-1278 of 8 December 2008 there was no law requiring Board membership).

### Changes to the Audit and Risk Committee after 31 December 2018

Mr Robert Peugeot had served in his office for 12 years on 24 January 2019 and accordingly lost his independent member status of the Board under the criteria of the AFEP-MEDEF Corporate Governance Code. His appointment was renewed by the General Meeting of 5 June 2018 for a period of one year so as to replace him in the best possible conditions with a new member of the Supervisory Board having independent status at the 2019 General Meeting.

Ms Sharon MacBeath resigned from her office as a member of the Supervisory Board as of 20 March 2019, meaning that she also resigned from her office as a member of the Audit and Risk Committee on the same date.

On the publication date of this Registration Document, the Board, in conjunction with the CAG-CSR Committee, is continuing its selection process in order to propose the appointment, at the General Meeting to be held on 4 June 2019, of two new independent members to replace Mr Robert Peugeot and Ms Sharon MacBeath.

## Duties and activities of the Audit and Risk Committee in 2018

### Duties of the Audit and Risk Committee

The Audit and Risk Committee studies and prepares certain proceedings of the Supervisory Board and submits to the Supervisory Board its opinions, proposals and recommendations.

In accordance with Article L. 823-19 of the French Commercial Code and without prejudice to the powers of the Board, which it does not replace, the duties of the Audit and Risk Management Committee are to:

1. With regard to preparing accounting and financial information:
  - ♦ review and comment on the parent company and consolidated financial statements before they are approved by Executive Management and presented to the Supervisory Board;
  - ♦ ensure that the accounting methods applied are relevant and consistent;
  - ♦ verify that internal data collection and control procedures guarantee the quality of the information provided;
  - ♦ review the work programme and results of internal and external audit assignments;
  - ♦ monitor the process of preparing financial information and, where appropriate, make recommendations to ensure its integrity and in particular:
    - ensure that the accounting methods applied are relevant and consistent, in particular to recognise material transactions,
    - the examination of the financial statements must focus on significant transactions which could have given rise to conflicts of interest;
  - ♦ monitor the effectiveness of internal control and risk management systems and internal audits regarding the procedures for preparing and processing accounting and financial and non-financial information, without jeopardising its independence, and in particular:
    - hear internal audit and risk control managers and give its opinion on the organisation of their departments,
    - be informed of the internal audit programme and receive internal audit reports and a summary of these reports on a regular basis;
  - ♦ review risks and significant off-balance sheet commitments, assess the importance of failures or weaknesses reported to it and inform the Supervisory Board, where appropriate;
    - during the examination of the financial statements, get a presentation by management describing risk exposure, including that of a social and environmental nature and significant off-balance sheet commitments as well as the accounting options chosen;
  - ♦ review the scope of consolidated companies and, where necessary, the reasons why some companies are not included.

### Activities of the Audit and Risk Committee in 2018

In 2018 the Audit and Risk Committee reviewed the following matters:

- ♦ presentation of the 2018 budget;
- ♦ prior approval by the Audit and Risk Committee of services other than the certification of financial statements provided by the Statutory Auditors;
- ♦ security system and feedback on 2017 incidents;
- ♦ review of activities related to risk management, audit and internal control in 2017;
  - risk management,
  - internal audit,
  - internal control;
- ♦ 2018 Audit plan;
- ♦ parent company and consolidated financial statements for the year ended 31 December 2017;
- ♦ 2018 interim consolidated financial statements;
- ♦ presentation of the consensus of financial analysts on the 2017 annual results and the 2018 interim results;
- ♦ review of the press releases on 2017 revenue, 2017 annual results and 2018 interim results;
- ♦ work of the Statutory Auditors: audit approach, audit findings, presentation of the panel's fees (including for services other than certification of the financial statements) and statement of independence;
- ♦ in camera meeting with the Statutory Auditors;
- ♦ new Group risk mapping;
- ♦ change in the timetable of publications;
- ♦ financial processes: monitoring of capital expenditure;
- ♦ update of IT risk mapping;
- ♦ result of the PwC audit on the security of payments.

As part of its missions, the Audit and Risk Committee heard from the Group Chief Financial Officer, both with regard to the accounting data and treasury data, the Consolidation Director, the Audit and Risk Director, the Group Security Director, the Group IT Director, the Group Treasury Director, the Group Financial Operations and Investor Relations Director and the Statutory Auditors.

The work and functioning of the Audit and Risk Committee were assessed in 2016 as part of the three-year formal self-assessment of the Supervisory Board and were deemed very satisfactory overall.

**Duties of the Audit and Risk Committee****Activities of the Audit and Risk Committee in 2018**

2. With regard to auditing accounting and financial information and the Statutory Auditors:
- ♦ make a recommendation to the Supervisory Board, prepared in accordance with Article 16 of Regulation (EU) No. 537/2014, on the (re)appointment of the Statutory Auditors put to the General Meeting;
  - ♦ monitor the Statutory Auditors' performance of their duties in light of the High Commission on Statutory Audit's remarks and conclusions following audits conducted in accordance with Articles L. 821-9 *et seq.* of the French Commercial Code;
  - ♦ ensure the Statutory Auditors' compliance with the independence requirements set out in Articles L. 821-9 *et seq.* of the French Commercial Code, take the necessary measures to apply Article 4 paragraph 3 of the aforementioned Regulation (EU) No. 537/2014, and ensure compliance with the conditions mentioned in Article 6 of said Regulation;
  - ♦ approve on a case-by-case basis the provision of the services mentioned in Article L. 822-11-2 of the French Commercial Code in accordance with the following rules:
    - the following services need not be approved beforehand:
      - Audit of Group reporting by subsidiaries,
      - Audit of local financial statements of subsidiaries,
      - Mandatory services (such as equity transactions),
    - individual services worth less than €100,000 up to a combined ceiling of €800,000 a year are delegated to the Group finance department,
    - the approval of the Audit and Risk Committee is required for amounts beyond the above thresholds,
    - the Statutory Auditors must disclose all fees for the financial year to the Audit and Risk Committee, including those relating to services provided within the context of the procedure;
  - ♦ report on the results of the engagement regarding the certification of the financial statements, on the way the engagement contributed to the integrity of the financial reporting and the role it has played in this process.
3. Duties relating to risk exposure and the prevention of corruption:
- ♦ regularly review opportunities and exposure to risks such as financial, legal, operational, social and environmental risks, as well as the measures taken in the light of these;
  - ♦ ensure the implementation of a system for the prevention and detection of corruption and influence-peddling.
4. Other duties:
- ♦ report regularly to the Supervisory Board on the performance of its duties;
  - ♦ promptly inform the Supervisory Board of any difficulties encountered;
- carry out special tasks assigned to it by the Supervisory Board.  
In carrying out its duties the Audit and Risk Committee may conduct site visits to appraise the overall consistency of the internal control and risk management system.

### 3.1.5 COMPENSATION AND BENEFITS PAID TO CORPORATE OFFICERS

#### 3.1.5.1 Compensation policy guidelines for Executive Chairmen (Executive Corporate Officers)

The principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of overall compensation and benefits of any kind payable to Executive Chairmen – Executive Corporate Officers, for performing their duties, in accordance with the AFEP-MEDEF Code, are presented below.

##### When the office is taken up

No such commitment exists.

##### During their term of office

##### Annual fixed and variable compensation

In accordance with Article 17 of the Articles of Association, Executive Chairmen are entitled to fixed compensation (referred to as “additional” in the Articles of Association) whose maximum amount is determined by the Ordinary General Meeting with the unanimous approval of the Active Partners and, potentially, variable compensation (referred to as “statutory” in the Articles of Association):

1. fixed compensation (referred to as “additional compensation” in the Articles of Association) was introduced by the Ordinary General Meeting of 31 May 2001, which set a ceiling of €457,347.05, and provided for it to be indexed upwards only in accordance with any increase in consolidated revenue for the previous financial year over the year prior to that, at constant scope and exchange rates. Fixed compensation is, therefore, set on an annual basis. In accordance with this principle and to facilitate understanding of how the additional compensation of Executive Chairmen is calculated before indexing, it is referred to as “fixed compensation” by analogy with market practices;
2. the calculation of the variable compensation (referred to as “statutory compensation”) set by Article 17 of the Articles of Association has remained constant since the IPO on 3 June 1993. It is capped at

0.20% of the consolidated net income before tax generated in the previous financial year. This mode of determination naturally leads to a strict variability in the statutory compensation of Executive Chairmen, transparently and without any guarantee of a minimum amount. With the aim of clarity, the statutory compensation of the Executive Chairmen is referred to as “variable compensation”, by analogy with market practices.

Changes to the two components of the compensation of Executive Chairmen depend upon objective and comprehensible quantifiable criteria unaltered for many years, that are public and predefined by nature, as described in paragraphs 1 and 2 above.

Within the maximum amounts set forth herein, the Executive Management Board of the Active Partner, Émile Hermès SARL, shall determine the effective amount of the annual statutory compensation of each Executive Chairman. Thus, no minimum statutory compensation is guaranteed for the Executive Chairmen. It uses the recommendations of the CAG-CSR Committee and takes into account in its decision the performance achieved by the Group in respect of the previous financial year, the strategic challenges in respect of the Group’s medium- and long-term development and the competitive environment in which it operates:

Mr Henri-Louis Bauer, the Legal Representative of Émile Hermès SARL (Executive Chairman), does not personally receive any compensation from Hermès International. He receives compensation from Émile Hermès SARL for his functions as Executive Chairman of this company, which is unrelated to the appointment as Executive Chairman of Émile Hermès SARL in Hermès International.

The Executive Chairmen do not receive any compensation or benefits of any kind from the subsidiaries of Hermès International.

A breakdown of effective compensation paid to the Executive Chairmen set by the Executive Management Board of Émile Hermès SARL for the last two financial years is provided in table 2 on page 196. Each year, the CAG-CSR Committee of the Supervisory Board of Hermès International is responsible for ensuring that compensation paid to the Executive Chairmen complies with the provisions of the Articles of Association and the decisions made by the Active Partner.

#### HISTORY OF FIXED AND VARIABLE COMPENSATION PAID TO EXECUTIVE CHAIRMEN OVER THE LAST THREE FINANCIAL YEARS <sup>1</sup>

Mr Axel Dumas	2018	2017	2016
Fixed compensation (referred to as “additional” in the Articles of Association)	1,470,773 €	€1,354,303	€1,260,991
Variable compensation (referred to as “statutory” in the Articles of Association)	1,622,043 €	€1,420,353	€1,294,762
TOTAL	3,092,816 €	€2,774,656	€2,555,753

Émile Hermès SARL	2018	2017	2016
Fixed compensation (referred to as “additional” in the Articles of Association)	€500,000	€500,000	€500,000
Variable compensation (referred to as “statutory” in the Articles of Association)	€756,409	€756,409	€756,409
TOTAL	€1,256,409	€1,256,409	€1,256,409

(1) For further explanation of changes please refer to the paragraph above entitled «Compensation policy for Executive Chairmen».

**Deferred or multi-year variable compensation**

The principle of the allocation to Executive Chairmen of deferred or multi-year variable compensation is not provided for.

**Exceptional compensation**

The principle of the allocation to Executive Chairmen of exceptional compensation is not provided for.

**Stock options, performance-based shares or any other element of long-term compensation**

Mr Axel Dumas, the only eligible Executive Chairman, has not received any stock options or performance-based shares since he was appointed Executive Chairman.

Émile Hermès SARL, a legal entity, is not eligible for the stock option or performance-based share plans.

**Employment contract**

In order to comply with the AFEP-MEDEF Code, Mr Axel Dumas decided on 5 June 2013 to end his employment contract when he was appointed Executive Chairman of Hermès International.

**Service agreements**

No Executive Chairman directly or indirectly invoices services to the Company.

Under a services contract dated 1 September 2005, amended several times since, Émile Hermès SARL makes use of the services of Hermès International to fulfil routine or exceptional legal, financial or secretariat duties. Any modification of the tasks assigned or re-invoicing specified (other than annual indexing) must be the subject of an amendment. This contract and its existing or future amendments are subject to the procedure on related-party agreements, as indicated in the special report from the Statutory Auditors on pages 396 to 398.

**Directors' fees in the Company and in the subsidiaries of the Group**

The Executive Chairmen do not receive any directors' fees paid by the Company or by the subsidiaries of the Group.

Note that the rules for the distribution of directors' fees within the Group specify that the members of the Executive Committee of Hermès International who are Directors in subsidiaries do not receive directors' fees in this regard.

**Death and disability plan**

Mr Axel Dumas is eligible for the mandatory collective death and disability plan established by the Group for the benefit of all staff (AGIRC affiliated) of French entities that have joined this plan (decision taken by the Supervisory Board on 19 March 2014).

It provides, as is the case for all employees, the following gross lifetime benefits:

- (i) a disability pension at 51% of reference compensation in case of Category 1 disability and 85% of reference compensation in case of Category 2 or 3 disability. The reference compensation (gross annual compensation) is capped at 8x the annual social security ceiling (PASS). The payment of the disability pension is discontinued when the recipient in question is no longer categorised as having the disability or permanent impairment and, at the latest, on the day of the normal or early liquidation of an old age insurance pension from the mandatory retirement plan, for any reason whatsoever;
- (ii) a death benefit equal to a maximum of 380% of the reference compensation, capped at 8x PASS, depending on the family situation;
- (iii) contributions paid to the insurer are split between the Company (1.54% for tranche A, and 1.64% for tranches B and C) and the beneficiary (1.06% for tranche A and 1.16% for tranches B and C);
- (iv) these contributions are deductible from the corporation tax base, subject to corporate social contributions at the rate of 8%, and excluded from the base for social security contributions, within the limit of an amount equal to the sum of 6% of PASS and 1.5% of compensation retained within the limit of 12x PASS.

**Benefits of any kind**

Mr Axel Dumas is eligible for a representation policy constituting his only benefit in kind.

Mr Axel Dumas benefits from the mandatory collective healthcare plan implemented by the Group for the benefit of all staff of French entities that have joined this plan (decision made by the Supervisory Board on 19 March 2014).

Émile Hermès SARL does not receive benefits of any kind.

**At the end of the term of office****Severance payment**

The Company has pledged to pay Mr Axel Dumas compensation in an amount equal to 24 months of total compensation (statutory compensation and additional compensation) in case of termination of his appointment as Executive Chairman (decision taken by the Supervisory Board on 4 June 2013 and approved by the General Meeting of 3 June 2014 – tenth resolution “Approval of the commitments due to Mr Axel Dumas on termination of his appointment as Executive Chairman” – pursuant to Article L. 225-42-1 of the French Commercial Code (*Code de commerce*)).

The payment of a severance payment is subject to the termination of duties as Executive Chairman resulting:

- ◆ either from a decision taken by Mr Axel Dumas by reason of a change of control over the Company, a change in the Executive Chairman of Émile Hermès SARL, which is an Executive Chairman of the Company, or a change in the Company's strategy; or
- ◆ from a decision taken by the Company.

Moreover, the payment of such compensation is also subject to the following performance conditions, such that the conditions of his departure are in harmony with the situation of the Company: achieving budget targets in at least four out of the five previous years (with revenue and operating income growth measured at constant rates), without deterioration in the Hermès brand image.

Given the importance of the Active Partner's role in an SCA – including the power to appoint and dismiss any Executive Chairman – and, in the case of a legal entity, its legal representative, it was decided that any termination of Mr Axel Dumas' duties as Executive Chairman resulting from the replacement of the Executive Chairman of Émile Hermès SARL should be deemed a forced departure.

The Supervisory Board accordingly considered that the deferred compensation undertaking made for the benefit of Mr Axel Dumas complied with the requirements of the AFEP-MEDEF Corporate Governance Code. No such agreement has been entered into with Émile Hermès SARL.

#### Non-competition payment

Mr Axel Dumas is not subject to any non-competition agreement, therefore no compensation is made in this category.

No such agreement has been entered into with Émile Hermès SARL.

#### Supplementary pension plan

*Defined-contribution pension plan (Article 83 of the French General Tax Code)*

Mr Axel Dumas is eligible for the supplementary defined-contribution pension plan established for all employees of the Group's French companies that have joined it (4 June 2013 decision by the Supervisory Board approved by the General Meeting of 3 June 2014 – fifth resolution "Approval of related-party agreements and commitments" – in accordance with Article L. 225-40 of the French Commercial Code (*Code de commerce*)).

As with all employees of the Group:

- ◆ the defined-contribution pension plan is financed as follows: 1.1% for the reference compensation for an amount of 1x the annual social security ceiling, 3.3% for the reference compensation between 1x and 2x PASS, and 5.5% on the reference compensation between 2x and 6x PASS. Reference compensation means the gross annual compensation in accordance with Article L. 242-1 of the French Social Security Code;
- ◆ these premiums are shared between the company (90.91%) and the beneficiary (9.09%);
- ◆ the employer contributions are deductible from the corporation tax base, subject to corporate social contributions at the rate of 20% and excluded from the base for social security contributions within the limit of the higher of the following two values: 5% of the PASS or 5% of the compensation retained within the limit of 5x PASS.

For information, if Mr Axel Dumas had been able to liquidate his retirement entitlements on 31 December 2018, the estimated maximum gross amount of annual pension under the defined-contribution pension plan would be €5,159.

*Defined-benefit pension plan (Article 39 of the French General Tax Code – Article L. 137-11 of the French Social Security Code)*

Mr Axel Dumas is also eligible for the supplementary pension plan established in 1991 for Company Senior Executives (4 June 2013 decision by the Supervisory Board, approved by the General Meeting of 3 June 2014 – fifth resolution "Approval of related-party agreements and commitments" – in accordance with Article L. 225-40 of the French Commercial Code (*Code de commerce*)).

This pension plan is not closed and is not limited only to the Executive Chairmen. It is financed by the Company through a contract with an outside insurance company, and premiums paid to this company are deductible from the corporation tax base. They are also subject to the employer's contribution on premiums at the rate of 24%. In addition, if applicable, provisions are recognised in the financial statements.

As a fundamental condition of the pension regulations, in order to be eligible for the scheme, beneficiaries must have reached the end of their professional career with the Company, have at least ten years of seniority, and be eligible to draw pension benefits under the basic French social security regime.

If all eligibility requirements are met, the annual pension under this plan shall in no case exceed the amount of 8x the annual social security ceiling (€317,856 in 2018). In accordance with the rules of the plan, the rights under this plan shall be a function of:

- ◆ the average yearly compensation for the last three years.
- ◆ a percentage of the reference compensation, from 0.9% to 1.5% per year of seniority, i.e., in any event, below the legal limit of 3%. For information, the maximum amount of the future pension, limited by the plan's regulations to eight times the annual Social Security limit, compared with the compensation for FY 2018 of the natural person Executive Chairmen would represent a replacement rate (excluding mandatory plans) of 10.27%; if Mr Axel Dumas had been able to liquidate his entitlements at 31 December 2018, the estimated maximum gross amount of the annual pension under the defined-benefit pension plan would be €54,857.

Émile Hermès SARL, a legal entity, is not eligible for a supplementary pension plan.

**SUMMARY OF COMPENSATION AND BENEFITS POTENTIALLY OWING TO THE EXECUTIVE CHAIRMAN, MR AXEL DUMAS, (A NATURAL PERSON) IN THE EVENT OF HIS DEPARTURE**

	Method of determination at 31/12/2018		
	Voluntary departure (excluding retirement)	Forced departure	Retirement
Severance payment	n/a	Subject to applicable performance conditions: 24 months of compensation (fixed and variable)	n/a
Non-competition payment	n/a	n/a	n/a
Supplementary defined-benefit retirement (Article 39 of the French General Tax Code (CGI), Article L. 137-11 of the French Social Security Code (CSS))	n/a	n/a	Annual pension amount: Number of years of seniority * (0.9% to 1.5%) * average yearly compensation for the last three years The pension will be limited to 8PASS
Supplementary defined-contribution pension plan (Article 83 of the French General Tax Code)	The annual amount of the pension will be determined by conversion to savings pension established on the date of liquidation of retirement entitlements.		

n/a: not applicable.

**Press releases on the compensation of the Executive Chairmen**

All compensation elements that are potential or acquired by the Executive Chairmen are made public immediately after the meeting of the Executive Management Board that decided them, by a press release published on the Company's financial website <https://finance.hermes.com>.

The table below summarises the press releases relative to the elements of compensation of the Executive Chairmen published over the last two financial years:

Date of publication	Releases
2018	
23 March 2018	Potential or actual elements of compensation for Executive Chairmen
2017	
24 March 2017	Potential or actual elements of compensation for Executive Chairmen

**3.1.5.2 Compensation policy guidelines for the Chairman of the Supervisory Board (non-Executive Corporate Officer)**

The principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of overall compensation and benefits of any kind payable to the Chairman of the Supervisory Board – a non-Executive Corporate Officer, for performing his duties, under the AFEP-MEDEF Code, are presented below.

The Chairman of the Supervisory Board is entitled to fixed annual compensation of €140,000. This is deducted from the total amount of directors' fees and compensation awarded to the Supervisory Board by the General Meeting. He is not entitled to any variable compensation as he attends all Supervisory Board meetings.

**3.1.5.3 2018 compensation (not subject to the General Meetings's ex-ante vote since inapplicable)**

The provisions of law No. 2016-1691 on transparency, anti-corruption and modernisation of the economy, of 9 December 2016 (the "Sapin 2 law"), including Articles L. 225-37-2 and L. 225-82-2 of the French Commercial Code, concerning the approval at the General Meeting of Shareholders of the principles and criteria for determining, distri-

buting and allocating the fixed, variable and exceptional components of compensation for Executive Corporate Officers (*ex-ante* vote), and subsequent approval of the amounts of compensation paid or allocated under these principles (*ex-post* vote) to Executive and non-Executive Corporate Officers, do not apply to *sociétés en commandite par actions* (partnerships limited by shares) under Article L. 226-1 of the same Code, which explicitly rules them out.

In 2018, as in 2017 and 2016, the Company complied with the recommendations of the AFEP-MEDEF Corporate Governance Code by asking the General Meeting to vote on the compensation of its Executive Chairmen (*ex-post*) (see 2017 Registration document – statement of reasons page 329).

**3.1.5.4 Compensation paid in 2018 (subject to the General Meetings's ex-post vote)**

All the elements of compensation paid in 2018 to Executive Chairmen, on which shareholders have an advisory vote, are shown in the description of the resolutions referred to the General Meeting of 4 June 2019 (pages 372 to 377).

The compensation paid to the Chairman of the Supervisory Board is shown in table 3 on page 196.

It did not seem relevant to propose a vote on the compensation of the Chairman of the Supervisory Board insofar as he:

- ◆ receives fixed compensation of €140,000 as set out in the Supervisory Board's rules of procedure, deducted from the total amount of directors' fees approved by the General Meeting;
- ◆ receives no other compensation of any kind whatsoever.

### 3.1.5.5 Tables required by the AFEP-MEDEF Code for the presentation of certain elements of compensation

Please find below the standardised presentation of all elements of compensation provided for by annex 4 of the AFEP-MEDEF Code.

**TABLE 1**

**Table summarising compensation and options and shares allocated to each Executive Chairman**

	<b>2018</b>	<b>2017</b>
	From 1 January to 31 December 2018	From 1 January to 31 December 2017
<b>Mr Axel Dumas</b>		
Compensation due for the financial year (detailed in Table 2)	3,092,816 €	€2,774,656
Valuation of options granted during the financial year (detailed in Table 4)	n/a	n/a
Valuation of performance shares granted during the financial year (detailed in Table 6)	n/a	n/a
Valuation of other long-term compensation plans	n/a	n/a
<b>TOTAL</b>	<b>3,092,816€</b>	<b>€2,774,656</b>
<b>Total natural person as Executive Chairmen</b>	<b>3,092,816 €</b>	<b>€2,774,656</b>
	From 1 January to 31 December 2018	From 1 January to 31 December 2017
<b>Émile Hermès SARL</b>		
Compensation due for the financial year (detailed in Table 2)	€1,256,409	€1,256,409
Valuation of options granted during the financial year (detailed in Table 4)	n/a	n/a
Value of performance-based shares granted during the financial year (detailed in table 6)	n/a	n/a
Valuation of other long-term compensation plans	n/a	n/a
<b>TOTAL</b>	<b>€1,256,409</b>	<b>€1,256,409</b>
<b>Total legal entity as Executive Chairmen</b>	<b>€1,256,409</b>	<b>€1,256,409</b>

n/a: not applicable.

**TABLE 2**  
Table summarising the compensation of each Executive Chairman

Gross annual compensation of Executive Chairmen	2018			2017		
	Limits granted by the Articles of Association or the General Meeting	Amounts due (or allocated) by the Executive Management Board <sup>1</sup>	Amounts paid	Limits granted by the Articles of Association or the General Meeting	Amounts due (or allocated) by the Executive Management Board	Amounts paid
<b>Mr Axel Dumas</b>	Decision of the Executive Management Board dated 19 March 2018			Decision of the Executive Management Board dated 20 March 2017		
Fixed compensation (referred to as "additional" in the Articles of Association) <sup>2</sup>	2,365,549 €	1,470,773 €	1,470,773 €	€2,178,417	€1,354,303	€1,354,303
Variable compensation (referred to as "statutory" in the Articles of Association) <sup>2</sup>	3,790,135 €	1,622,043 €	1,622,043 €	€3,319,259	€1,420,353	€1,420,353
Exceptional compensation	-	-	-	-	-	-
<b>Total compensation</b>	<b>6,155,684 €</b>	<b>3,092,816 €</b>	<b>3,092,816 €</b>	<b>€5,497,676</b>	<b>€2,774,656</b>	<b>€2,774,656</b>
Directors' fees	n/a	n/a	n/a	n/a	n/a	n/a
Benefits in kind	n/a	n/a	Representation	n/a	n/a	Representation
<b>Émile Hermès SARL</b>	Decision of the Executive Management Board dated 19 March 2018			Decision of the Executive Management Board dated 20 March 2017		
Fixed compensation (referred to as "additional" in the Articles of Association) <sup>2</sup>	2,365,549€	€500,000	€500,000	€2,178,417	€500,000	€500,000
Variable compensation (referred to as "statutory" in the Articles of Association) <sup>2</sup>	3,790,135 €	€756,409	€756,409	€3,319,259	€756,409	€756,409
Exceptional compensation	-	-	-	-	-	-
<b>Total compensation</b>	<b>6,155,684 €</b>	<b>€1,256,409</b>	<b>€1,256,409</b>	<b>€5,497,676</b>	<b>€1,256,409</b>	<b>€1,256,409</b>
Directors' fees	n/a	n/a	n/a	n/a	n/a	n/a
Benefits in kind	n/a	n/a	n/a	n/a	n/a	n/a

n/a: not applicable.

(1) A detailed presentation of the principles and the amount (or valuation) of the elements of the compensation of each Executive Chairman is shown in the description of the resolutions on pages 372 to 377.

(2) These amounts take into account the limits set on an individual and collective basis by the Articles of Association and the General Meeting.

**TABLE 3**  
Table of directors' fees and other compensation received by members of the Supervisory Board

	Amounts paid in 2019 for 2018	Amounts paid in 2018 for 2017
Total amount of directors' fees and compensation allocated by the General Meeting of Hermès International	€600,000	€600,000
Total amount of directors' fees and compensation actually assigned by Hermès International	€575,230	€557,300
<b>Mr Éric de Seynes</b>		
Compensation of the Chairman of the Supervisory Board	€140,000	€140,000
Directors' fees for Hermès International	n/a	n/a
♦ fixed component	-	-
♦ variable component based on attendance	-	-
Directors' fees for Hermès Sellier	€3,000	€3,000
<b>Ms Monique Cohen</b>		
Compensation of the Chairwoman of the Audit and Risk Committee	€28,000	€28,000
Directors' fees for Hermès International	25,925 €	€28,200
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	15,925 €	€18,200

	Amounts paid in 2019 for 2018	Amounts paid in 2018 for 2017
<b>Ms Dominique Senequier</b>		
Compensation of the Chairwoman of the CAG-CSR Committee	€28,000	€28,000
Directors' fees for Hermès International	€23,650	€28,200
♦ <i>fixed component</i>	€10,000	€10,000
♦ <i>variable component based on attendance</i>	€13,650	€18,200
<b>Mr Frédéric Afriat</b> (employee representative)		
Directors' fees for Hermès International	n/a	n/a
<b>Ms Dorothée Altmayer</b>		
Directors' fees for Hermès International	€28,200	€18,000
♦ <i>fixed component</i>	€10,000	€5,000
♦ <i>variable component based on attendance</i>	€18,200	€13,000
Directors' fees for Hermès Sellier	n/a	€3,000
Directors' fees for Comptoir Nouveau de la Parfumerie	€3,000	€3,000
<b>Mr Charles-Éric Bauer</b>		
Compensation of the Audit and Risk Committee members	€11,700	€13,000
♦ <i>fixed component</i>	€5,200	€5,200
♦ <i>variable component based on attendance</i>	€6,500	€7,800
Directors' fees for Hermès International	€23,650	€28,200
♦ <i>fixed component</i>	€10,000	€10,000
♦ <i>variable component based on attendance</i>	€13,650	€18,200
<b>Mr Matthieu Dumas</b>		
Compensation of members of the CAG-CSR Committee	€13,000	€13,000
♦ <i>fixed component</i>	€5,200	€5,200
♦ <i>variable component based on attendance</i>	€7,800	€7,800
Directors' fees for Hermès International	€28,200	€28,200
♦ <i>fixed component</i>	€10,000	€10,000
♦ <i>variable component based on attendance</i>	€18,200	€18,200
Directors' fees for Comptoir Nouveau de la Parfumerie	€3,000	€3,000
<b>Mr Blaise Guerrand</b>		
Directors' fees for Hermès International	€28,200	€28,200
♦ <i>fixed component</i>	€10,000	€10,000
♦ <i>variable component based on attendance</i>	€18,200	€18,200
Directors' fees for Hermès Sellier	€3,000	€3,000
<b>Ms Julie Guerrand</b>		
Directors' fees for Hermès International	€28,200	€28,200
♦ <i>fixed component</i>	€10,000	€10,000
♦ <i>variable component based on attendance</i>	€18,200	€18,000
<b>Ms Olympia Guerrand</b>		
Directors' fees for Hermès International	€28,200	€18,000
♦ <i>fixed component</i>	€10,000	€5,000
♦ <i>variable component based on attendance</i>	€18,200	€13,000
Directors' fees for Hermès Sellier	€3,000	€3,000

	Amounts paid in 2019 for 2018	Amounts paid in 2018 for 2017
<b>Ms Sharon MacBeath</b>		
Compensation of the Audit and Risk Committee members	€13,000	€11,700
♦ fixed component	€5,200	€5,200
♦ variable component based on attendance	€7,800	€6,500
Compensation of members of the CAG-CSR Committee	€13,000	€6,500
♦ fixed component	€5,200	€2,600
♦ variable component based on attendance	€7,800	€3,900
Directors' fees for Hermès International	€28,200	€28,200
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€18,200	€18,200
<b>Mr Renaud Momméja</b>		
Compensation of the Audit and Risk Committee members	€11,700	€11,700
♦ fixed component	€5,200	€5,200
♦ variable component based on attendance	€6,500	€6,500
Directors' fees for Hermès International	€28,200	€25,600
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€18,200	€15,600
Directors' fees for Comptoir Nouveau de la Parfumerie	€3,000	€3,000
<b>Mr Robert Peugeot</b>		
Compensation of the Audit and Risk Committee members	€10,400	€10,400
♦ fixed component	€5,200	€5,200
♦ variable component based on attendance	€5,200	€5,200
Compensation of members of the CAG-CSR Committee	€9,880	€13,000
♦ fixed component	€5,200	€5,200
♦ variable component based on attendance	€4,680	€7,800
Directors' fees for Hermès International	€25,925	€23,000
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€15,925	€13,000

n/a: not applicable.

**TABLE 4**  
Stock options granted during the financial year to Executive Chairmen by Hermès International and by all companies of the Group

Name of the Executive Corporate Officer	Number and date of plan	Nature of options	Valuation of options according to the method used for the consolidated financial statements	Number of options granted during the financial year	Exercise price	Exercise period
Mr Axel Dumas	n/a	n/a	n/a	-	n/a	n/a
<b>TOTAL</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>-</b>	<b>n/a</b>	<b>n/a</b>

n/a: not applicable.

**TABLE 5**  
Stock options exercised during the financial year by the Executive Chairmen of Hermès International

Name of the Executive Corporate Officer	Number and date of plan	Number of options exercised during the financial year	Exercise price
Mr Axel Dumas	n/a	n/a	n/a
<b>TOTAL</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

n/a: not applicable.

**TABLE 6**  
Performance-based shares awarded during the financial year to each Executive Chairman

Performance-based share distributions awarded by the Shareholders' General Meeting during the financial year to each Corporate Officer by the issuer and by all companies of the Group (nominative list)	Number and date of plan	Number of shares awarded during the financial year	Valuation of shares according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Mr Axel Dumas	n/a	n/a	n/a	n/a	n/a	n/a
<b>TOTAL</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

n/a: not applicable.

**TABLE 7**  
Performance-based shares made available during the financial year to each Executive Chairman

Name of the Executive Corporate Officer	Number and date of plan	Number of shares acquired during the financial year	Vesting conditions
Mr Axel Dumas	Plan "d" of 15/05/2012	20	n/a
<b>TOTAL</b>		<b>20</b>	<b>n/a</b>

n/a: not applicable, the shares having been awarded in his capacity as an employee before being appointed as Executive Chairman.

**TABLE 8.1 (CORRESPONDING TO TABLE 8 OF THE AFEP-MEDEF CODE)**  
History of allocation of stock subscription or purchase options  
Information on the stock subscription or purchase options

General Meeting of 25/05/1998 (6 <sup>th</sup> resolution) – Subscription or purchase options	Plans nos. 1 to 4 expired
General Meeting of 03/06/2003 (15 <sup>th</sup> resolution) – Purchase options	Plans nos. 5 and 6 expired
General Meeting of 06/06/2006 (9 <sup>th</sup> resolution) – Purchase options	Plan No. 7 expired
General Meeting of 02/06/2009 (14 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2009, 2010 or 2011
General Meeting of 30/05/2011 (21 <sup>st</sup> resolution) – Purchase options	No plan implemented in 2011 or 2012
General Meeting of 29/05/2012 (13 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2012 or 2013
General Meeting of 04/06/2013 (18 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2013 or 2014
General Meeting of 03/06/2014 (16 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2014 or 2015
General Meeting of 02/06/2015 (14 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2015 or 2016
General Meeting of 31/05/2016 (14 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2016, 2017 or 2018

**TABLE 8.2 (COMPILED IN ACCORDANCE WITH ARTICLE L. 225—184 OF THE FRENCH COMMERCIAL CODE AND AMF POSITION-RECOMMENDATION NO. 2014-14)**

Stock options granted to the first 10 employees (not Corporate Officers) receiving options and options exercised by them	Total number of shares granted/ shares subscribed or purchased	Weighted average price	Plans nos. 1 to 7
Options granted during the financial year by the issuer and any entity within the option allocation scope to the 10 employees of the issuer and any entity within this scope for whom the number of options thus granted is the highest (overall information)	n/a	n/a	Plans expired
Options held on the issuer and aforementioned entities exercised during the financial year by the 10 employees of the issuer and these entities, for whom the number of options thus purchased or subscribed is the highest (overall information)	n/a	n/a	

n/a: not applicable.

**TABLE 9.1 (CORRESPONDING TO TABLE 9 OF THE AFEP-MEDEF CODE)**

Date of authorisation by the Extraordinary General Meeting	30/05/2011 (29 <sup>th</sup> resolution)	30/05/2011 (29 <sup>th</sup> resolution)	31/05/2016 (15 <sup>th</sup> resolution)	31/05/2016 (15 <sup>th</sup> resolution)	31/05/2016 (15 <sup>th</sup> resolution)
Date of the decision by the Executive Management	15/05/2012 (plan d)	15/05/2012 (plan e)	31/05/2016 (plan f)	31/05/2016 (plan g.1)	01/03/2017 (plan g.2)
Total number of shares allocated <sup>1</sup>	515,280	302,000	452,960	353,100	1,400
Shares allocated to Senior Executives <sup>2</sup>	420	70,000	320	29,000	0
Number of Senior Executives concerned <sup>2</sup>	7	7	8	8	0
Share related to capital of allocations of shares to Senior Executives	n.s.	0.06%	n.s.	0.028%	0.00%
French tax residents on the grant date:	3 tranches of 20 shares		2 tranches of 20 shares		
♦ vesting period	4/5/6 years	4 years	4/5 years	4 years	3 years and 3 months
♦ date of transfer of ownership of shares	16/05/2016 16/05/2017 16/05/2018	16/05/2016	01/06/2020 01/06/2021	01/06/2020	01/06/2020
♦ end of the holding period	17/05/2018 17/05/2019 17/05/2020	17/05/2018	n/a	n/a	n/a
Tax residents outside France on the grant date:	3 tranches of 20 shares		2 tranches of 20 shares		
♦ vesting period	6/7/8 years	6 years	4/5 years	4 years	3 years and 3 months
♦ date of transfer of ownership of shares	16/05/2018 16/05/2019 16/05/2020	16/05/2018	01/06/2020 01/06/2021	01/06/2020	01/06/2020
♦ end of the holding period	n/a	n/a	n/a	n/a	n/a
Performance conditions	no	yes	no	yes	yes
Number of shares acquired <sup>3</sup> as at 31/12/2018	325,940	290,000	440	800	0
Number of shares lost as at 31/12/2018	111,120	12,000	55,400	8,500	0

n.s.: not significant; n/a: not applicable.

(1) Maximum.

(2) Table 9.1 considers Senior Executives to be: Executive Chairmen, members of the Supervisory Board and members of the Executive Committee of the issuer on the grant date.

(3) Including by early release in accordance with the regulations of the plan (death, invalidity).

**TABLE 9.2 (COMPILED IN ACCORDANCE WITH ARTICLE L. 225—197-4 OF THE FRENCH COMMERCIAL CODE AND AMF POSITION-RECOMMENDATION NO. 2014-14)**

Free shares awarded to the first 10 employees (not Corporate Officers)	Total number of shares awarded	Date of plans
Shares awarded during the year to the 10 employees of the issuer and any entity included in this scope for whom the number of shares thus granted is the highest (overall information)		n/a

n/a: not applicable.

**TABLE 10**

Table summarising the multi-year variable compensation of each Executive Chairman (Executive Corporate Officers)

**Name of the Executive Corporate Officer**

Mr Axel Dumas	n/a
Émile Hermès SARL	n/a

n/a: not applicable.

**TABLE 11**

Senior Executives (natural persons)	Employment contract	Supplementary pension plan	Compensation or benefits due or liable to be due because of termination or change of duties <sup>1</sup>	Compensation relative to a non-competition clause
Mr Axel Dumas, Executive Chairman				
Date of start of term of office: 05/06/2013				
Date of end of term of office: open-ended	no <sup>2</sup>	yes	yes	no

(1) The details of these commitments are shown on pages 373 and 374.

(2) Since 05/06/2013.

**3.1.5.6 2019 Compensation policy (not subject to the General Meeting's ex-ante vote since inapplicable)**

The provisions of law No. 2016-1691 of 9 December 2016 on transparency, anti-corruption and the modernisation of the economy (known as the "Sapin II law"), in particular Articles L. 225-37-2 and L. 225-82-2 of the French Commercial Code, concerning the approval at the Shareholders' General Meeting of the principles and criteria for determi-

nation, distribution and allocation of fixed, variable and exceptional portions of compensation for Executive Corporate Officers (ex-ante vote), and subsequent approval of the components of compensation paid or allocated under these principles (ex-post vote) to Executive and non-Executive Corporate Officers, do not apply to *sociétés en commandite par actions* (partnerships limited by shares) under Article L. 226-1 of the same Code, which explicitly waives them.

**2019 compensation in respect of 2018**

At its meeting on 18 March 2019, the Émile Hermès SARL Executive Management Board decided to set the Executive Chairmen's 2019 compensation as follows:

	Fixed compensation (additional compensation) Gross annual amount	Variable compensation (Statutory compensation) Gross annual amount	Total Gross annual amount
Émile Hermès SARL	€551,850	€830,083	€1,381,933
Mr Axel DUMAS	€1,623,378	€1,780,045	€3,403,423

The Executive Management Board wished the principle of variability contained in the aforementioned provisions of the Articles of Association to be applied strictly to the compensation of the Executive Chairmen. As such, in accordance with these principles, it was decided to modify the compensation of the Executive Chairmen in 2019 by strictly applying the variation observed between 2017 and 2018 on the two objective

quantifiable criteria used as a reference for Executive Chairman compensation for many years (Article 17 of the Articles of Association), namely the Company's consolidated net income before tax (variable compensation) and consolidated revenue (fixed compensation or + 10.37% on the previous year).

### Incorporation of a qualitative CSR criterion in the variable component of 2020 compensation in respect of 2019

The Executive Management Board meeting of 18 March 2019 decided to apply a new CSR criterion, representing the Group's firm and ongoing commitments to sustainable development, to a portion of the variable compensation of the two Executive Chairman.

This criterion will be applied to 10% of the target variable compensation.

The indicators relating to the CSR criterion relate to the following:

- ◆ decoupling between business growth at constant scope and exchange rates and the evolution of industrial energy consumption (quantifiable environmental criterion);
- ◆ actions implemented in favor of the territorial anchoring of the group in France and throughout the world, excluding major cities (qualitative societal criterion);

### 3.1.5.7 Compensation for the Active Partner

Under the terms of Article 26 of the Articles of Association, the Company pays an amount equal to 0.67% of distributable profits to the Active Partner, which was as follows for the last two financial years:

	2018	2017
Émile Hermès SARL	€8,297,743.18	€5,214,348.05

### 3.1.5.8 Compensation of the Supervisory Board, Audit and Risk Committee and CAG-CSR Committee

#### Directors' fees and compensation of members of the Supervisory Board

Supervisory Board members receive directors' fees and compensation in a total amount that is approved by the General Meeting and that is apportioned by the Supervisory Board.

Compensation paid to members of the Audit and Risk Committee and of the CAG-CSR Committee is deducted from the total amount of directors' fees.

The General Meeting of 6 June 2017 raised the total amount of directors' fees and compensation for the Supervisory Board to €600,000 to take into account the appointment of new members of the Board.

The principles governing the distribution of and amount of directors' fees are as follows:

- ◆ a fixed compensation component of €140,000 for the Chairman of the Board with no variable component as the Chairman attends all meetings;
- ◆ a fixed component of €10,000 and a variable component based on attendance of €18,200 for each Vice-Chairman of the Board;
- ◆ a fixed component of €10,000 and a variable component based on attendance of €18,200 for other Board members;
- ◆ a fixed component of €28,000, with no variable component, for the Chairmen of the Audit and Risk Committee and the CAG-CSR Committee;
- ◆ a fixed component of €5,200 and a variable component of €7,800, based on attendance, for the other members of the Audit and Risk and CAG-CSR Committees;

- ◆ Group initiatives in favor of gender balance (qualitative social criterion).

The assessment of the amount of compensation subject to the "CSR" criterion would be limited to a target of 100%, with no possibility of exceeding that limit.

Each of the three indices mentioned above:

- ◆ shall count as one-third of the CSR criterion;
- ◆ shall have an annual reference period;
- ◆ will be assessed on an annual basis, in terms of achievement, by the CAG-CSR Committee and a report will be sent to the Executive Management Board which has the power to decide on the actual compensation of the Executive Chairmen.

This new way of structuring the variable component of compensation will be applied for the first time when assessing variable compensation owing for 2019, which is measured and paid in 2020

- ◆ if a member is appointed during the year, the outgoing member and his or her replacement share the fixed component and the variable component is allotted based on attendance at meetings;
- ◆ members of Hermès International's Executive Committee do not receive directors' fees;
- ◆ employee representatives on the Supervisory Board do not receive directors' fees.

They include a fixed component (35.47% for the Board and 40% for the committees) and a variable component (64.53% for the Board and 60% for the specialised Committees) proportional to attendance at meetings.

In keeping with these principles, at its meeting of 25 January 2019, the Supervisory Board distributed €575,230 out of the €600,000 allocated to directors' fees and compensation by the General Meeting.

The table 3 on pages 196 to 198 details directors' fees and other compensation paid to members of the Supervisory Board in the last two financial years by Hermès International and the entities it controls as defined by Article L. 233-16 of the French Commercial Code.

The members of the Supervisory Board of a *société en commandite par actions* (partnership limited by shares) may be bound to the Company by an employment contract with no condition other than that resulting from the existence of a relationship of subordination with the Company and the recognition of effective employment.

Mr Frédéric Afriat, the Employee representative on the Supervisory Board, has an employment contract with the Hermès Group (Chief Accountant of Comptoir Nouveau de la Parfumerie, Hermès Parfums) and as such receives a salary unrelated to his position on the Board. Consequently, and for reasons of confidentiality, his salary is not disclosed.

### Stock options

No stock options were granted to Supervisory Board members in 2018, nor were any such options exercised by them.

### Allocation of free shares

No free shares were awarded to members of the Supervisory Board in 2018.

## 3.1.6 RELATED-PARTY AGREEMENTS AND COMMITMENTS

Information on related-party agreements and commitments is presented in the report of the Supervisory Board to the General Meeting page 396.

## 3.1.7 SUMMARY TABLE OF THE USE OF FINANCIAL DELEGATIONS OF AUTHORITY

In accordance with Article L. 225-100 paragraph 7 of the French Commercial Code, the table below shows all the delegations of competence and powers granted by the General Meeting to Executive Management in financial matters, distinguishing between delegations that were valid, and delegations used, in the 2018 financial year, as applicable.

	Resolution number	Duration of the authorisation (Expiry)	Characteristics	Use in 2018
<b>GENERAL MEETING OF 31 MAY 2016</b>				
Granting stock options	14 <sup>th</sup>	38 months (31 July 2019)	The number of purchase options granted under the 14 <sup>th</sup> resolution and the number of free shares awarded under the 15 <sup>th</sup> resolution may not represent a number of shares greater than 2% of the total number of existing shares at the time of the grants without taking into account those already granted under previous authorisations.	None
			<p>The purchase price of the shares shall be set by Executive Management within the limits and according to the procedures specified in Article L. 225-177 paragraph 4 of the French Commercial Code and shall be at least equal to the average of the prices quoted on the regulated Euronext Paris market during the 20 trading days preceding the granting of the options, without being less than 80% of the average purchase price of the shares held. In the event one or more Executive Chairmen are granted stock options:</p> <ul style="list-style-type: none"> <li>♦ the Company must meet one or more of the conditions specified in Article L. 225-186-1 of the French Commercial Code; and</li> <li>♦ the stock options may not be exercised before the Executive Chairman or Chairmen cease their duties unless a number of shares resulting from the exercise of options has been set which must be kept registered until the cessation of their duties;</li> <li>♦ the exercise price of the options includes no discount;</li> <li>♦ the options granted are subject to strict and demanding performance conditions to be met over several years and defined at the time of issuance;</li> <li>♦ the maximum percentage of shares to which Executive Chairmen may subscribe by virtue of their options under this resolution is 0.05% of the share capital at the date on which Executive Management decides to grant them, this sublimit being offset against the 2% ceiling common to the delegations under the 14<sup>th</sup> and 15<sup>th</sup> resolutions.</li> </ul>	

	Resolution number	Duration of the authorisation (Expiry)	Characteristics		Use in 2018
Free allocations of the Company's existing ordinary shares	15 <sup>th</sup>	38 months (31 July 2019)	The number of purchase options granted under the 14 <sup>th</sup> resolution and the number of free shares awarded under the 15 <sup>th</sup> resolution may not represent a number of shares greater than 2% of the total number of existing shares at the time of the grants without taking into account those already granted under previous authorisations.	In the event one or more Executive Chairmen are granted stock options: <ul style="list-style-type: none"> <li>♦ the Company must fulfil one or more of the conditions specified in Article L. 225-197-6 of the French Commercial Code;</li> <li>♦ the shares granted may not be sold before the Executive Chairmen cease their duties unless a number of these shares has been set which must be kept registered until the cessation of their duties;</li> <li>♦ the free shares granted are subject to strict and demanding performance conditions to be met over several years and defined at the time of issuance;</li> <li>♦ the maximum percentage of free shares that may be granted is 0.05%, this sublimit being offset against the 2% ceiling common to the delegations under the 14<sup>th</sup> and 15<sup>th</sup> resolutions.</li> </ul>	None

#### GENERAL MEETING OF 6 JUNE 2017

In accordance with Article L. 233-32 of the French Commercial Code, the following delegations of authority granted under the 18<sup>th</sup> (incorporation of reserves), 19<sup>th</sup> (issue with maintenance of preferential subscription rights), 20<sup>th</sup> (issue with elimination of preferential subscription rights), 21<sup>st</sup> (capital increase reserved for members of a company or group savings plan), 22<sup>nd</sup> (issue by private placement) and 23<sup>rd</sup> (issue in consideration for contributions in kind) resolutions may be implemented during a public offering.

Purchase of shares	6 <sup>th</sup>	18 months (6 December 2018) <sup>1</sup>	Limit of 10% of the capital Maximum purchase price €600. Maximum funds committed €1,500 million		See pages 344 to 346
Cancellation of treasury shares (general cancellation programme)	17 <sup>th</sup>	24 months (6 June 2019) <sup>1</sup>	Limit of 10% of the capital		None
Capital increase by capitalisation of reserves, earnings and/or premiums and free allocation of shares and/or increase in the par value of existing shares	18 <sup>th</sup>	26 months (6 August 2019) <sup>2</sup>	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 40% of the share capital on the date of the General Meeting, with any capital increases carried out in accordance with this delegation not offset against the ceiling common to the delegations granted under the 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions.		None
Issues of shares and/or any securities giving access to capital with maintenance of preferential subscription rights	19 <sup>th</sup>	26 months (6 August 2019) <sup>2</sup>	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 40% of the share capital on the date of the General Meeting (individual ceiling), with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than €1 billion, this limit being common to the 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions.	None

(1) This authorisation was cancelled, for the remaining duration and for the unused fraction, by delegations of the same nature authorised by the General Meeting of 5 June 2018.

(2) These delegations are intended to be cancelled, for the remaining duration and for the unused fraction, in case of the adoption of new resolutions concerning new delegations of the same nature by the General Meeting of 4 June 2019.

	Resolution number	Duration of the authorisation (Expiry)	Characteristics		Use in 2018
Issue of shares and/or any other securities giving access to capital with elimination of preferential subscription rights but with the right to introduce a priority period, through a public offer	20 <sup>th</sup>	26 months (6 August 2019) <sup>2</sup>	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 40% of the share capital on the date of the General Meeting (individual ceiling), with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than €1 billion, this limit being common to the 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions.	None
Capital increase by way of the issue of shares and/or securities giving access to capital reserved for members of a company or group savings plan, with elimination of preferential subscription rights.	21 <sup>st</sup>	26 months (6 August 2019) <sup>2</sup>	The nominal amount of capital increases that may be carried out under this resolution may not exceed 1% of the share capital on the date of the General Meeting, this ceiling being offset against the 40% ceiling common to the delegations granted under the 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions. Discount fixed at 20% of the average of the prices quoted for the Company's share on the regulated Euronext Paris market during the 20 trading days preceding the day of the decision setting the date of opening of subscriptions. Possibility of substituting all or part of the discount by granting free shares or securities giving access to the Company's share capital, of reducing or not granting a discount, within the legal or regulatory limits.		None
Issue of shares and/or any other securities giving access to capital, with elimination of preferential subscription rights, by private placement covered by Article L. 411-2, II of the French Monetary and Financial Code.	22 <sup>nd</sup>	26 months (6 August 2019) <sup>2</sup>	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed the limit provided for by the regulations applicable on the day of the issue (20% of the capital per year at the date of the General Meeting) with the capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than €1 billion, this limit being common to the 17 <sup>th</sup> , 18 <sup>th</sup> , 20 <sup>th</sup> and 21 <sup>st</sup> resolutions.	None
Issue of shares and/or securities giving access to capital with elimination of preferential subscription rights in order to compensate contributions in kind granted to the Company relating to equity securities or securities giving access to capital.	23 <sup>rd</sup>	26 months (6 August 2019) <sup>2</sup>	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 10% of the share capital on the date of the General Meeting, with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than €1 billion, this limit being common to the 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions.	None

(2) *These delegations are intended to be cancelled, for the remaining duration and for the unused fraction, in case of the adoption of new resolutions concerning new delegations of the same nature by the General Meeting of 4 June 2019.*

	Resolution number	Duration of the authorisation (Expiry)	Characteristics	Use in 2018
<b>GENERAL MEETING OF 5 JUNE 2018</b>				
Purchase of shares	6 <sup>th</sup>	18 months (5 December 2019) <sup>2</sup>	Limit of 10% of the capital Maximum purchase price €650 Maximum funds committed €1,500 million	See pages 344 to 346
Cancellation of treasury shares (general cancellation programme)	13 <sup>th</sup>	24 months (5 June 2020) <sup>2</sup>	Limit of 10% of the capital	None

(2) These delegations are intended to be cancelled, for the remaining duration and for the unused fraction, in case of the adoption of new resolutions concerning new delegations of the same nature by the General Meeting of 4 June 2019.

### 3.1.8 CAPITAL STRUCTURE AND FACTORS LIABLE TO AFFECT THE OUTCOME OF A PUBLIC OFFERING

Information on equity and shareholding is presented on page 340.

As a *société en commandite par action* Hermès International is governed by certain provisions specific to its legal form, stipulated by law or the Articles of Association, which are liable to have an effect in case of a public offering, namely:

- ◆ the Executive Chairmen may only be appointed or dismissed by the Active Partner;
- ◆ Émile Hermès SARL, the Active Partner, must retain in its Articles of Association certain provisions concerning its legal form, corporate purpose and the conditions to be met to qualify as a partner (see Article 14.3 of the Articles of Association of Hermès International on page 333);
- ◆ Hermès International may only be converted into a *société anonyme* (public limited company) with the consent of the Active Partner;
- ◆ except for decisions falling within their exclusive remit, no decision taken by the Limited Partners (shareholders) at General Meetings is legitimate unless approved by the Active Partner no later than the end of said Meeting. Hermès International's Articles of Association also contain stipulations that are liable to have an impact on the outcome of a public offering, namely:
  - voting rights are exercised by the bare owners for all decisions taken at all General Meetings except for decisions regarding the allocation of earnings, for which the usufructuary shall exercise the voting rights,

- double voting rights are allocated to each registered share after being held for a period of four consecutive years,
- any shareholder who comes to hold 0.5% of the share capital and/or voting rights, or any multiple of that percentage, must disclose the crossing of ownership thresholds (Article 11 of the Articles of Association).

Furthermore, a priority right to acquire Hermès International shares, granted by the members of the Hermès family group, and descendants of these members, to H51, is explained on page 353.

Lastly, the Executive Management has a delegation of authority to carry out capital increases.

### 3.1.9 SPECIAL TERMS AND CONDITIONS FOR ATTENDING GENERAL MEETINGS

General Meetings are convened as provided for by law and Article 24 of the Articles of Association (see page 337).

Double voting rights are allocated under the conditions set out in Article 12 of the Articles of Association (see page 332).

In the event that a legal (Article L. 233-7 of the French Commercial Code and Article L. 433-3 *et seq.* of the French Monetary and Financial Code) or internal threshold is crossed (Article 11 of the Articles of Association, see page 332) with regard to equity and/or voting rights, a declaration in accordance with the conditions set out in the aforementioned texts must be made, failing which the shares will be deprived of voting rights at General Meetings.

## 3.1.10 APPENDICES

### 3.1.10.1 Supervisory Board Rules of Procedure

Entered into force on March 18th, 2009 Version N° 12 – modified on March 19<sup>th</sup>, 2019

#### Purpose

These rules of procedure define the terms and conditions of the structure and functioning of the Supervisory Board of Hermès International (hereinafter the “Board”) and its Committees and supplement the provisions set out in applicable laws and the Articles of Association (an extract of the Articles of Association is attached to this report).

Their purpose is to enhance the quality of the Board’s work by promoting the application of good corporate governance principles and best practices, in the interests of ethics and greater effectiveness.

#### 1. Supervisory Board

##### 1.1 Composition of the board

##### 1.1.1 Ownership of a minimum number of the Company’s shares by members of the Board

All Board members must own 200 Hermès International registered shares during the year in which they are appointed. The directors’ fees they receive may assist in this acquisition. This obligation does not apply to the Employee representative Board members.

##### 1.1.2 Independence of Board members

Members of the Board are independent if they have no relationship of any kind whatsoever with the Company, its group or its management that is liable to compromise the exercise of their freedom of judgement in any way.

##### 1.1.2.1 Independence criteria

The independence criteria applicable to Board members are as follows:

- ◆ they may not be a partner or member of the Executive Management Board of Émile Hermès SARL, Active Partner;
- ◆ they must comply with the criteria set out in Article 8.5 of the AFEP-MEDEF Corporate Governance Code of June 2018.

##### 1.1.2.2 Procedure for qualifying members as independent

The qualification of a Board member as independent is discussed each year by the CAG-CSR Committee, which draws up a report on this matter and submits it to the Board.

Each year, in the light of this report, the Board reviews the situation of each member with regard to the independence criteria.

The Board is required to report the findings of its review to the shareholders in the annual report.

##### 1.1.2.3 Proportion of independent members on the Board

At least one-third of the Board members must be independent members. Employee representative Board members are not included in the calculation of this proportion.

##### 1.1.3 Professional conduct of members of the Board and their permanent representatives

##### 1.1.3.1 Office and corporate interest

Members of the Supervisory Board must, under all circumstances, act in the Company’s corporate interest. They must, whatever their mode of appointment, consider themselves representatives of all the shareholders, and must also take into account the expectations of the other stakeholders.

##### 1.1.3.2 Compliance with laws and the Articles of Association

Members of the Supervisory Board must fully understand their rights and obligations. They must in particular be familiar and comply with the legal and regulatory provisions binding to their position, the applicable governance codes and best practices, and the rules specific to the Company resulting from its Articles of Association and the Supervisory Board rules of procedure.

##### 1.1.3.3 Prevention of insider trading – stock market ethics – Closed periods – Disclosure obligations

The members of the Board are on the Company’s list of permanent insiders and so must comply with the Hermès Group Stock Market Ethics Code in effect since 1 February 2017 which describes the measures in place within the Hermès Group to prevent market abuse on Hermès International shares.

##### 1.1.3.4 Duties: guiding principles

Members of the Supervisory Board perform their duties with independence, integrity, loyalty and professionalism.

##### 1.1.3.5 Independence, courage and duty of notification

Members of the Supervisory Board must strive to maintain under all circumstances their independence of judgement, decision and action. They shall not be influenced by any factor that is not in keeping with the corporate interests that they are responsible for defending.

They shall alert the Supervisory Board to any information known to them which they deem liable to affect the Company’s interests. They have a duty to clearly express their queries and opinions. They shall endeavour to convince the Supervisory Board of the relevance of their positions. In the event of disagreement, they shall be careful to ensure that these reservations are explicitly recorded in the minutes of the proceedings.

##### 1.1.3.6 Independence, business relationships and conflicts of interests

Members of the Supervisory Board shall endeavour to avoid any possible conflict between their moral and material interests and those of the Company. They shall inform the Supervisory Board of any conflicts of interest in which they might be involved. In cases where a conflict of interest cannot be avoided, they shall abstain from attending the debate and taking part in voting on the related resolution as well as any decisions related to the matters concerned.

Each member of the Supervisory Board must also draw up a statutory declaration on their business relationships with the Group stating whether or not there is a conflict of interest, even a potential one:

- ◆ at the time of his or her appointment;
- ◆ every year when the registration document is prepared.

##### 1.1.3.7 Integrity and loyalty

Members of the Supervisory Board act in good faith at all times and do not take any initiative which could be detrimental to the Company’s interests.

They make a personal commitment to maintain complete confidentiality concerning the information they receive, the discussions in which they are involved and the decisions made.

They undertake not to use the inside information to which they have access for their personal benefit or for the benefit of any other person. In particular, when they hold information on the Company which has not been made public, they undertake not to use it to carry out transactions on the Company's shares, or to have such transactions carried out by a third party.

#### 1.1.3.8 Professionalism and commitment

Members of the Supervisory Board undertake to devote the necessary time and attention to their duties.

They shall make sure that the number and workload of their mandates as a director or as a member of the Supervisory Board leave them sufficiently available, particularly if they also perform executive duties.

They shall obtain information on the Company's *métiers* and specificities, together with its issues and values, including by consulting its principal Senior Executives.

They shall regularly and diligently take part in the meetings of the Supervisory Board and the specialised committees of which they are members.

They shall attend Shareholders' General Meetings.

They shall make efforts to obtain in due time any information that they deem necessary in order to participate in Board meetings in full possession of the facts.

They shall endeavour to stay abreast of the knowledge they require and ask the Company to provide them with the training necessary for the correct fulfilment of their duties.

#### 1.1.3.9 Professionalism and effectiveness

Members of the Supervisory Board shall contribute to the collegiality and effectiveness of the work of the Supervisory Board and of any specialized committees constituted within it. They shall make any recommendation which they believe may improve the operational methods of the Board, particularly at the time of its periodic assessment. They agree to be assessed on their own activity within the Supervisory Board.

They shall endeavour, with the other members of the Supervisory Board, to ensure that the missions of guidance and control are accomplished effectively and without hindrance. In particular, they shall make sure that procedures are set up within the Company to monitor that the letter and spirit of laws and regulations are adhered to. They shall make sure that the positions adopted by the Supervisory Board demonstrate, without exception, duly justified, formal decisions recorded in the minutes of its meetings.

## 1.2 Functioning of the Board

### 1.2.1 Board meetings

#### 1.2.1.1 Calendar

The Board meets at least four times per year and whenever required by the Company's best interests or operations.

The duration of each meeting shall be sufficient to properly review all business on the agenda.

The procedures for calling a meeting and participating therein and the quorum and majority requirements are those stipulated by law and by the Articles of Association.

The schedule of Board meetings other than special meetings is drawn up from one year to the next.

#### 1.2.1.2 Attendance by persons who are not Board members

The main Statutory Auditors and the Works council representatives are invited to attend all Supervisory Board meetings.

Persons who are not Board members, and members of the Executive Committee and the Liaison Committee, *inter alia*, may be invited to attend Board meetings at the Chairman's discretion, to provide any information that members of the Board might require to reach a full understanding of matters on the agenda that are technical in nature or require special expertise.

#### 1.2.1.3 Minutes

Minutes are drawn up following each meeting and sent to all Board members, who are invited to comment. Any comments are discussed during the following Board meeting. The final draft of the minutes from the previous meeting is submitted to the Board for approval.

#### 1.2.2 Information for Board members

Board members are entitled to receive all information required to fulfil their duties and responsibilities and may request any documents that they deem to be useful.

Before each Board meeting, members are sent in good time, with reasonable lead time and subject to confidentiality requirements, a file containing documentation on items on the agenda requiring prior analysis and review.

Between scheduled Board meetings, members receive all important information pertaining to the Company on a regular basis and are notified of any event or change with a material impact on transactions or information previously disclosed to the Board.

Board members shall send requests for additional information to the Chairman of the Board, who is responsible for assessing the usefulness of the documents requested.

Board members have a duty to request any information that they deem to be useful and essential to carry out their duties.

#### 1.2.3 Training of Board members

Each Board member may receive additional education on the special attributes of the Group, its organization and its *métiers*, and in the areas of accounting, finance or corporate governance.

#### 1.2.4 Supervisory Board assignment not covered by the Articles of Association in governance matters

##### 1.2.4.1 Approval of the acceptance by an Executive Chairman of any new office in a listed company

The Supervisory Board approves or rejects the acceptance of any new office in a listed company by an Executive Chairman.

##### 1.2.4.2 Others assignments of the Supervisory Board

The Supervisory Board is informed about market developments, the competitive environment and the most important aspects facing the company, including in the area of social and environmental responsibility.

The Supervisory Board regularly reviews, *via* the Audit and Risk Committee, the opportunities and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly.

The Supervisory Board is regularly informed about the financial situation, the cash position as well as the company's commitments.

The Supervisory Board ensures the implementation of a mechanism to prevent and detect corruption and influence peddling. It receives all of the information needed for this purpose.

The Supervisory Board also ensures that the executive officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on the governing bodies.

The Supervisory Board should consider what the desirable balance of its membership and that of the Board committees should be, particularly in terms of diversity (gender representation, nationalities, age, qualifications, professional experience, etc.). It should make public in the report on corporate governance a description of the diversity policy applied to members of the Board of Directors as well as a description of the objectives of this policy, its implementation measures and the results achieved in the past financial year.

#### 1.2.5 Communication with shareholders

At its meeting of 20 March 2018 the Supervisory Board made its Chairman (without any additional compensation) responsible for communicating with shareholders on behalf of the Board with a view to:

- ♦ explaining the positions taken by the Supervisory Board in its areas of competence (particularly with regard to governance and executive compensation), which were previously the subject of a communication;
- ♦ ensuring that shareholders receive the information they expect from the Company.

The Chairman may naturally consult the internal experts in these fields.

#### 1.3 Assessment of the Board by its members

The Board regularly conducts an assessment of its performance, covering the various points of its mission and commitments. This self-assessment is carried out every three years using an evaluation matrix proposed by the CAG-CSR Committee. In interim years, a review of the Board's works is included in the agenda of a Board meeting.

As part of this process the different areas of responsibility and commitment of the Board and its members are reviewed and assessed and any applicable recommendations for improving performance are made.

### 2. Specialised committees of the board

The Board may create special Board Committees, to which it appoints members and the Chairman. These Committees act under the collective and exclusive responsibility of the Supervisory Board. Their role is to research and to prepare for certain deliberations of the Board, to which they submit their opinions, proposals or recommendations

Two Committees have been created to date:

- ♦ the Audit Committee on 26 January 2005, whose duties the Board then decided to expand and which was renamed the "Audit and Risk Committee" (19 March 2019);

- ♦ the Compensation Committee on 26 January 2005, subsequently assigned new duties and responsibilities and renamed the Compensation and Appointments Committee on 18 March 2009 then the Compensation, Appointments and Governance (CAG) Committee on 20 January 2010 and CSR on 16 November 2018 or "CAG-CSR Committee".

The rules applying to the composition, duties and responsibilities and operating procedures for each specialised committee are set out in rules of procedure proposed by that committee and approved by the Supervisory Board.

### 3. Common provisions

#### 3.1 Compensation of Board members and directors' fees

The principles for allotting directors' fees and other compensation adopted by the Board are as follows:

- ♦ a fixed compensation component of €140,000 for the Chairman of the Board with no variable component as the Chairman attends all meetings;
- ♦ a fixed component of €10,000 and a variable component based on attendance of €18,200 for each Vice-Chairman of the Board;
- ♦ a fixed component of €10,000 and a variable component based on attendance of €18,200 for other Board members;
- ♦ a fixed component of €28,000 and no variable component for the Chairmen of the Audit and Risk and CAG-CSR Committees;
- ♦ a fixed component of €5,200 and a variable component based on attendance of €7,800 for other members of the Audit and Risk and CAG-CSR Committees;
- ♦ if a member is appointed during the year, the outgoing member and his or her replacement share the fixed component and the variable component is allotted based on attendance at meetings;
- ♦ members of Hermès International's Executive Committee do not receive directors' fees;
- ♦ employee representatives on the Board do not receive directors' fees.

The fixed and variable components are determined by the Board at its first meeting of the year following the year for which compensation and directors' fees are paid.

#### 3.2 Rules governing reimbursement of accommodation and travel expenses

Supervisory Board members are reimbursed for travel (from their principal residence), accommodation and restaurant expenses incurred to attend the Supervisory Board and Committee meetings, upon presentation of substantiating documents or receipts.

The Board determines applicable the policy for the reimbursement of expenses which should be based upon the rules applicable to Group employees. This policy lists the eligible transportation classes and the limits for expenses incurred for each meeting of the Supervisory Board, of the Audit and Risk Committee and of the CAG-CSR Committee.

These reimbursements apply only to meetings of the Board and of the Committees, and do not in any case apply to General Meetings.

### 3.3 Participation in General Meetings

Members of the Supervisory Board, and particularly those who are also a member of a specialised committee, are strongly encouraged to participate in General Meetings.

### 3.4 Application of the Rules of Procedure

If a member of the Supervisory Board ceases to be in a position to perform their duties in accordance with the rules of procedure, either for reasons attributable to them or for any other reason, including reasons pertaining to the rules specific to the Company, they must inform the Chairman of the Supervisory Board, seek solutions to remedy this situation and, if unable to do so, accept the resulting personal consequences regarding the fulfilment of their mandate.

## APPENDIX: Articles 18, 19, 20 of the Articles of Association (cf. pages 335 and 336)

### 3.1.10.2 CAG-CSR Committee rules of procedure

Entered into force on March 24th, 2010 – Version N° 7 – modified on November 16th, 2018

#### PURPOSE

The Compensation, Appointments, Governance and CSR Committee or “CAG-CSR Committee” of Hermès International is a specialised committee of the Supervisory Board.

It was created on 26 January 2005 and the Supervisory Board has progressively decided to assign it new duties and responsibilities and to rename it subsequently as follows:

26 January 2005	Compensation Committee
18 March 2009	Compensation and Appointments Committee
20 January 2010	Compensation, Appointments and Governance Committee
16 November 2018	Compensation, Appointments, Governance and CSR Committee

These rules of procedure define the composition, duties, structure and functioning of the CAG-CSR Committee of Hermès International, which acts under the collective and exclusive responsibility of the Supervisory Board.

Their purpose is to enhance the quality of the CAG-CSR Committee's work by promoting the application of good corporate governance principles and best practices, in the interests of ethics and greater effectiveness.

#### 1. Composition of the CAG-CSR Committee

##### 1.1 Chairmanship – Number of members

The Chairman of the CAG-CSR Committee is appointed by the Supervisory Board.

The Compensation and Governance Committee comprises at least three members of the Supervisory Board.

##### 1.2 Proportion of independent members

At least half of the members of the CAG-CSR Committee must, at the time of their appointment and for the duration of their office, be qualified as independent as defined in the Supervisory Board rules of procedure.

##### 1.3 Term of appointment to the CAG-CSR Committee

The members of the CAG-CSR Committee are appointed by the Supervisory Board for the duration of their term of office as a member of the Supervisory Board or for any other period defined by the Supervisory Board. They may be reappointed indefinitely.

#### 2. Duties of the CAG-CSR Committee

The CAG-CSR Committee studies and prepares certain proceedings of the Supervisory Board and submits its opinions, proposals or recommendations to the Board.

Without prejudice to the powers of the Supervisory Board, which it does not replace, the duties of the CAG-CSR Committee are to:

*With respect to compensation:*

- ♦ be consulted and draw up recommendations from the Supervisory Board to the Executive Management on the terms governing the compensation paid to Executive Committee members;
- ♦ be consulted and draw up recommendations from the Supervisory Board to the Executive Management on the terms and conditions of granting any stock options and free shares to Executive Committee members;
- ♦ draw up proposals and opinions on the total amount and distribution, in particular on the basis of attendance of Supervisory Board members at meetings, of directors' fees and other compensation and benefits awarded to members of the Supervisory Board and its committees;
- ♦ review proposals for stock options and free share awards to senior executives to enable the Supervisory Board to determine the aggregate or individual number of options or shares allotted and the terms and conditions of allotment;
- ♦ review proposals for stock options and free share awards to employees and draw up recommendations thereon to Executive Management;
- ♦ assist the Supervisory Board in determining the conditions and performance criteria to be applied to awarding stock options, performance-based shares and/or additional pensions to the Executive Chairmen;
- ♦ ensure that the compensation of and the other commitments made to the Executive Chairmen comply with the Articles of Association and the decisions made by the Active Partner;

- ◆ acquaint itself with and make recommendations to the management or supervisory bodies of the main French subsidiaries within the Hermès Group on the compensation of Executive Corporate Officers;
- ◆ acquaint itself with and make recommendations to the management or supervisory bodies of the main French subsidiaries within the Hermès Group on the terms and conditions of awarding stock options to Executive Corporate Officers;
- ◆ carry out specific assignments entrusted to it by the management or supervisory bodies of the main French subsidiaries within the Hermès Group.

With respect to appointments:

- ◆ prepare the Board's proposals to the Active Partner after examining all the elements which it must take into account in its deliberation: balance to be sought in the composition of the Board in light of the composition of, and changes in, the Company's shareholders, search for and appraisal of possible candidates and opportunity for reappointments;
- ◆ organise a selection procedure in conjunction with the Executive Chairmen for future independent members of the Board and carry out its own research on potential candidates;
- ◆ ensure a succession plan for Executive Corporate Officers (the Executive Chairmen) drawn up by the Active Partner;
- ◆ ensure the existence of a succession plan for the Chairman of the Supervisory Board.

With respect to corporate governance:

- ◆ recommend revisions to corporate governance rules as needed;
- ◆ periodically verify that independent Supervisory Board members meet the independence and objectivity criteria set out in the Supervisory Board's rules of procedure;
- ◆ review the composition of the specialised committees;
- ◆ oversee the annual evaluation of Supervisory Board practices;
- ◆ ensure that the management bodies apply the Supervisory Board's rules of procedure and the recommendations of the current AFEP-MEDEF Corporate Governance Code in their operations.

With respect to corporate social responsibility:

- ◆ assist the Supervisory Board in monitoring matters relating to CRS in order that the Hermès group better anticipate opportunities, issues and risks associated;
- ◆ assist the Supervisory Board in monitoring social policy of the Hermès Group and the policy of non-discrimination and diversity.

### 3. Functioning of the CAG-CSR Committee

The CAG-CSR Committee meets as many times as necessary and at least once a year, before the compensation of the Executive Chairmen is defined by the Active Partner.

The CAG-CSR Committee meets when convened by its Chairman, who sets the agenda of the meeting in writing or verbally, wherever indicated in the notice of meeting. Before each meeting of the CAG-CSR Committee, members receive, in due time, with reasonable prior notice and subject

to confidentiality requirements, documentation concerning points of the agenda which require prior analysis and reflection.

The role of secretary for the CAG-CSR Committee meetings is performed, if they are present, by the Group's Human Resources Director, or by a member of the CAG-CSR Committee designated as rapporteur by the Chairman. The proceedings are noted in minutes which are entered in a special register and signed by the Chairman or a member of the CAG-CSR Committee and the secretary of the meeting.

Certain persons who are not members of the CAG-CSR Committee – in particular the Compensation and Benefits Director and the Executive Management – may be invited to meetings of the CAG-CSR Committee.

Meetings of the CAG-CSR Committee are validly held when at least half of its members participate, it being specified that members who participate in a meeting of the CAG-CSR Committee by way of video conference or telecommunication, under the conditions stipulated for meetings of the Supervisory Board, are deemed to be present.

Decisions of the CAG-CSR Committee are made by majority vote of those present members.

#### 4. Reports to the Supervisory Board

The CAG-CSR Committee reports regularly in writing on its activities and the performance of its work to the Supervisory Board, and informs it without delay of any difficulties encountered.

The CAG-CSR Committee reports must fully inform the Supervisory Board as to the CAG-CSR Committee's performance of its assignments.

#### 5. Information handled by the CAG-CSR Committee

The CAG-CSR Committee is entitled to all the documents it needs to carry out its duties notably from employees of Hermès International and must in particular be informed about the compensation policy for the principle Non- Executive Corporate Officers (notably members of the Executive Committee).

The CAG-CSR Committee may contact the Group's main Senior Executives as part of its remit, once the Chairman of the Supervisory Board has informed the Executive Management.

It may, if necessary, request the intervention of an external expert to carry out additional studies.

#### 6. Compensation of the CAG-CSR Committee

The remuneration of the members of the CAG-CSR Committee is defined by the Supervisory Board and deducted from the total amount of directors' fees.

#### 7. Self-assessment of the CAG-CSR Committee

The CAG-CSR Committee regularly assesses its performance, covering the points of its assignments and its commitment by means of an assessment matrix.

As part of this process the different areas of responsibility and commitment of the CAG-CSR Committee and its members are reviewed and assessed and any applicable recommendations for improving performance are made.

**3.1.10.3 Audit Committee and Risk rules of procedure**

**Entered into force on March 24<sup>th</sup>, 2010 – Version N° 5 – modified on March 19<sup>th</sup>, 2019**

**Purpose**

The Audit and Risk Committee is a specialised committee of the Supervisory Board.

It was first set up on 26 January 2005 and the Board decided to progressively assign it new duties and responsibilities, renaming it as follows:

26 January 2005	Audit Committee
19 March 2019	Audit and Risk Committee

These rules of procedure define the composition, duties structure and functioning of the Audit and Risk Committee of Hermès International which acts under the collective and exclusive responsibility of the Supervisory Board.

Its purpose is to enhance the quality of the Audit and Risk Committee's work by promoting the application of good corporate governance principles and best practices, in the interests of ethics and greater effectiveness.

**1. Composition of the Audit and Risk Committee****1.1 Chairmanship – Number of members**

The Chairman of the Audit and Risk Committee is appointed by the Supervisory Board.

The Audit and Risk Committee comprises at least four members of the Supervisory Board.

**1.2 Proportion of independent members – Specific expertise in finance, accounting or statutory auditing**

At least half of the members of the Audit and Risk Committee must, at the time of their appointment and for the term their office, be qualified as independent under the Supervisory Board's rules of procedure.

At least one member of the Audit and Risk Committee must be appointed from among the independent members of the Board and have specific expertise in finance, accounting or statutory auditing.

**1.3 Term of appointment to the Audit and Risk Committee**

The members of the Audit and Risk Committee are appointed by the Supervisory Board for the duration of their term of office as a member of the Supervisory Board or for any other term defined by the Supervisory Board. They may be reappointed indefinitely.

**2. Duties of the Audit and Risk Committee**

The Audit and Risk Committee studies and prepares certain proceedings of the Supervisory Board and submits to the Board its opinions, proposals and recommendations.

In accordance with Article L. 823-19 of the French Commercial Code and without prejudice to the powers of the Supervisory Board, which it does not replace, the duties of the Audit and Risk Committee are to:

**2.1 With regard to preparing accounting and financial information**

- ◆ review and comment on the parent company and consolidated financial statements before they are approved by Executive Management and presented to the Supervisory Board;
- ◆ ensure that the accounting methods applied are relevant and consistent;
- ◆ verify that internal data collection and control procedures guarantee the quality of the information provided;
- ◆ review the work programme and results of internal and external audit assignments;
  - monitor the process of preparing financial information and, where appropriate, make recommendations to ensure its integrity,
  - monitor the effectiveness of internal control and risk management systems and internal audits regarding the procedures for preparing and processing accounting, financial and extra financial information without jeopardising its independence.

**2.2 With regard to auditing accounting and financial information and the Statutory Auditors**

- ◆ make a recommendation to the Supervisory Board, prepared in accordance with Article 16 of Regulation (EU) No. 537/2014, on the (re) appointment of the Statutory Auditors put to the General Meeting;
- ◆ monitor the Statutory Auditors' performance of their duties in light of the High Commission on Statutory Audit's remarks and conclusions following audits conducted in accordance with Articles L. 821-9 *et seq.* of the French Commercial Code;
- ◆ ensure the Statutory Auditors' compliance with the independence requirements set out in Articles L. 821-9 *et seq.* of the French Commercial Code, take the necessary measures to apply Article 4 paragraph. 3 of the aforementioned Regulation (EU) No. 537/2014, and ensure compliance with the conditions mentioned in Article 6 of said Regulation;
- ◆ approve on a case-by-case basis the provision of the services mentioned in Article L. 822-11-2 of the French Commercial Code in accordance with the following rules:
  - the following services need not be approved beforehand:
    - audit of Group reporting by subsidiaries,
    - audit of local financial statements of subsidiaries,
    - mandatory services (such as equity transactions);
  - individual services worth less than €100,000 up to a combined ceiling of €800,000 a year are delegated to the Group finance department,
  - the approval of the Audit and Risk Committee is required for amounts beyond the above thresholds,
  - the Statutory Auditors must disclose all fees for the financial year to the Audit and Risk Committee, including those relating to services provided within the context of the procedure;

- ◆ report on the results of the engagement regarding the certification of the financial statements, on the way the engagement contributed to the integrity of the financial reporting and the role it has played in this process.

### 2.3 Missions concerning risk exposure and prevention of corruption:

- ◆ regularly review opportunities and exposures to risks such as financial, legal, operational, social and environmental risks and the actions taken as a result;
- ◆ ensure the establishment of a system for preventing and detecting corruption and trading in influence.

### 2.4 Other duties

- ◆ report regularly to the Supervisory Board on the performance of its duties;
- ◆ promptly inform the Supervisory Board of any difficulty encountered;
- ◆ carry out special tasks assigned to it by the Supervisory Board.

In carrying out its duties the Audit and Risk Committee may conduct site visits to appraise the overall consistency of the internal control and risk management system.

## 3. Functioning of the Audit and Risk Committee

### 3.1 Meetings of the Audit and Risk Committee

The Audit and Risk Committee meets as many times as necessary and at least twice a year, before annual financial statement closure by the Executive Management and before the half-year accounts examination by the Supervisory Board.

The Audit and Risk Committee meets when convened by its Chairman, who sets the agenda of the meeting in writing or verbally, in any location indicated in the notice of meeting.

Before each Audit and Risk Committee meeting, Audit and Risk Committee members are sent, in good time, with reasonable lead time and subject to confidentiality requirements, a file containing documentation on items on the agenda requiring prior analysis and review.

The role of secretary of the Audit and Risk Committee meetings is performed, if they are present, by the Audit and Risk Director, otherwise by a member of the Audit and Risk Committee appointed as rapporteur by the Chairman.

The proceedings are noted in minutes which are recorded in a special register and signed by the Chair of the Audit and Risk Committee and one of the Audit and Risk Committee members.

Certain non-members of the Audit and Risk Committee – in particular the Statutory Auditors, the Audit and Risk Director and the Financial Director are regularly invited to Audit and Risk Committee meetings. The Audit and Risk Committee may invite Senior Executives from departments such as Security, Legal and Information Systems for specific discussions to gather whatever additional information it may need.

Meetings of the Audit and Risk Committee are validly held when at least half of its members participate, it being specified that members who participate in an Audit and Risk Committee meeting by way of video conference or telecommunication, under the conditions stipulated for Supervisory Board meetings are deemed to be present.

Decisions of the Audit and Risk Committee are made by a majority vote of the members present.

### 3.2 Reports to the Supervisory Board

The Audit and Risk Committee regularly reports in writing on its work and the performance of its duties to the Supervisory Board and informs it without delay of any difficulties encountered.

The reports of the Audit and Risk Committee must enable the Supervisory Board to be fully informed on the Audit and Risk Committee's performance of its assignments.

### 3.3 Information handled by the Audit and Risk Committee

The Audit and Risk Committee is entitled to all the documents it needs to carry out its duties notably from employees of Hermès International and the Statutory Auditors. In particular it must receive a regular summary of the work of the audit and risk management department.

The Audit and Risk Committee's examination of the financial statements must be prepared in accordance with (and accompanied by) a presentation by the Statutory Auditors highlighting the essential points relating not only to results but also to the chosen accounting options together with a presentation by the Financial Director describing the Company's exposure to risks and its significant off-balance sheet commitments.

The Audit and Risk Committee examines the Group's budgets in a final summary before presentation to the Supervisory Board in order to understand and validate the strategy underlying them.

It may, if necessary, request the intervention of an external expert to carry out additional studies.

## 4. Compensation of the Audit and Risk Committee

Compensation of Audit and Risk Committee members is defined by the Supervisory Board and deducted from the total amount of directors' fees.

## 5. Self-assessment of the Audit and Risk Committee

The Audit and Risk Committee regularly assesses its performance in conjunction with the self-assessment of the Board. The members of the Audit and Risk Committee are specifically called on anonymously through a self-assessment questionnaire.

As part of this process the different areas of responsibility and commitment of the Audit and Risk Committee and its members are reviewed and assessed and any applicable recommendations for improving performance are made.