

## Press Release of 21 March 2014

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

### • COMPENSATION AND BENEFITS IN KIND

#### *Principles*

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

In accordance with these provisions:

- *The gross annual compensation* of each Executive Chairman provided by the Articles of Association is capped at 0.20% of the Company's *consolidated* income before tax (which amounts to €2,393,104 for 2014), in the previous financial year.  
However, if there are more than two Executive Chairmen, the combined total gross annual compensation of the Executive Chairmen may not exceed 0.40% of the Company's consolidated income before tax for the previous financial year (which amounts to €4,786,208 for 2014).
- The Ordinary General Meeting of 31 May 2001 decided to allocate *additional compensation* to each, at that time subject to a ceiling of €457,347.05. This ceiling, which can only be adjusted upwards, is indexed each year to growth in the Company's consolidated revenue for the previous financial year at constant exchange rates and on the same scope of consolidation, by comparison with revenue for the next to last financial year (which amounts to €1,689,279 for 2014).

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

#### *2014 compensation and benefits in kind*

At its meeting of 18 March 2014, the Management Board of Emile Hermès SARL decided to set the Executive Chairmen's compensation for 2014 as follows:

		gross annual statutory compensation	gross annual additional compensation
Company Emile Hermès SARL	From 1 January to 31 December 2014	€2,393,104	€1,689,279
Mr. Axel DUMAS	From 1 January to 31 December 2014	€1,050,000	€1,050,000
Mr. Patrick THOMAS	From 1 January to 31 December 2014	€102,348	€95,652

Mr. Patrick THOMAS and Mr. Axel DUMAS receive benefits in kind: car, representation (in the case of Mr. Patrick THOMAS, only for the month of January).

Mr. Patrick THOMAS has stepped down as Executive Chairman with effect from 31 January 2014, particularly in order to exercise his rights to retirement; this press release shall not republish other elements of compensation which have been previously published.

At the meeting of the Supervisory Board on 19 March 2014, the Compensation, Appointments and Governance Committee stated that it had ascertained that the compensation of the Executive Chairmen was in accordance with the Articles of Association and with the decisions of the Active Partner.

• **OTHER COMPONENTS OF COMPENSATION**

*Pension plan*

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

Mr. Axel DUMAS is eligible for the top-up defined-contribution pension scheme set up for the benefit of all employees of the Group's French companies. (Decision of the Supervisory Board of 4 June 2013, submitted for the approval of the Ordinary General Meeting of 3 June 2014 – 4<sup>th</sup> resolution - in application of Article L 225-40 of the French Code of Commerce).

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

M. Axel DUMAS is in addition eligible for the top-up pension scheme set up in 1991 for the benefit of the company managers (Decision of the Supervisory Board of 4 June 2013, submitted for the approval of the Ordinary General Meeting of 3 June 2014 – 4<sup>th</sup> resolution - in application of Article L 225-40 of the French Code of Commerce).

The pension scheme has the obligatory precondition, in particular, that beneficiaries must have reached the end of their professional career with the company, have at least 10 years seniority and be eligible to draw pension benefits under the basic state Social Security regime.

Assuming the fulfilling of all conditions for eligibility, the annual pension of this scheme is calculated on the basis of the average of the final 3 amounts of annual compensation, and may not exceed an amount of 8 times of the the annual social security ceiling.

*Deferred compensation obligations*

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

This engagement has the same conditions as the engagement taken towards Mr. Patrick THOMAS.

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

No option to subscribe for and to purchase shares was granted to the Chairmen in 2013.

The Company's corporate governance practices and all components of the Executive Chairmen's compensation will be set out in detail in the Company's *2013 Registration Document*.