HERMÈS

Notice of meeting

General Meeting of 3 June 2014

Dear Madam/Sir,

The shareholders of the Hermès International Company are invited to attend the Combined General Meeting on

Tuesday 3 June 2014
at 9.30am (reception as of 8.00am)

at the Palais des Congrès, Grand Amphithéâtre, 2, avenue de la Porte-Maillot in Paris (17th arrondissement), in order to discuss the following agenda.

We strongly urge you to personally attend this meeting. You will therefore have to produce an admission card. If you cannot attend the meeting, you can still express your vote either by submitting a proxy, or by using the remote vote options, either postal vote or Internet vote. Below you will find information and recommendations regarding each of the means of participating in the meeting.

As the session starts at exactly 9.30am, we recommend that you arrive early (as of 8.00am) at the reception desk and at the sign-in desk, **with a document establishing your identity and your admission card**, in order to sign the attendance register.

All preparatory documents for the Combined General Meeting on 3 June 2014 (volumes 1 and 2 of the annual report, as well as the present Notice of the meeting) are available for consultation and download from the website http://finance.hermes.com. To receive a paper version, please refer to page 47.

It will be our pleasure to welcome you amongst the participants in this General Meeting.

Yours faithfully,

Executive Management

Preliminary conditions

Every shareholder or shareholder's representative has the right to attend the meeting and to take part in the discussions, irrespective of the number of this person's shares. However, to be allowed to attend this meeting, to be represented or to vote by post, shareholders must first have proven their capacity by the recording for accounting purposes of their shares in their names (or that of the intermediate listed on their behalf if their residence is not within France) by midnight (00:00), Paris time, on the third business day prior to the meeting, i.e. at the latest Thursday 29 May 2014 at midnight (00:00):

- in the registered share accounts held for the Company by its agent BNP Paribas Securities Services or,

- in the bearer share accounts held by the financial intermediary with which their securities are registered in an account.

How to take part in the meeting

- **Bearer shareholder:** you must submit a request for an admission card that is required in order to attend the meeting and vote, by:

  - ticking the box "A ❑ I WOULD LIKE TO ATTEND THIS MEETING AND REQUEST AN ADMISSION CARD" on the upper left-hand side of the participation form, then dating and signing it in the "DATE AND SIGNATURE" box provided below for this purpose, without filling in any other box nor ticking any other box in the document;
  - returning this form **as soon as possible** (to ensure that you receive your admission card in a timely manner) to the financial intermediary providing the management of your securities account, that will forward your request while preparing a participation certificate.

- **Registered shareholder:** you can submit a request for an admission card that will provide you with easier access to the meeting room, by returning the participation form **as quickly as possible** (to ensure that you receive your admission card in a timely manner) to BNP Paribas Securities Services using the supplied envelope, after ticking the box "A ❑ I WOULD LIKE TO ATTEND THIS MEETING AND REQUEST AN ADMISSION CARD" on the upper left-hand side, then dating and signing it in the "DATE AND SIGNATURE" box provided below for this purpose, without filling in any other box nor ticking any other box in the document.

In all cases, when initialling the attendance register, you will be asked to **present your identity document**. It is not possible to represent another person by means of his/her admission card, except with a proxy provided under the conditions presented below.

How to participate in the meeting by proxy if you do not wish to attend

Proxy by post (with the paper form)

After having ticked box "B ❑ I WILL USE THE POSTAL OR PROXY VOTING FORM SHOWN BELOW" in the upper left of the participation form, you have only to complete the form as follows:

- if you would like to be represented by the Chairman (middle box: "I GRANT A PROXY TO THE CHAIRMAN OF THE GENERAL MEETING"), then date and sign in the "DATE AND SIGNATURE" box provided below for this purpose, without filling in any other box nor ticking any other box in the document;

- if you would like to be represented by another person, tick the box on the right "❑ I GRANT A PROXY TO" while providing all information regarding the identity and address of the person, then date and sign it in the "DATE AND SIGNATURE" box provided below for this purpose.

Then return this form **as quickly as possible**:

- **bearer shareholder**, to the financial intermediary providing the management of your securities account, that will forward the documents together with the participation certificate that it will have prepared beforehand;

- **registered shareholder**, to BNP Paribas Securities Services, using the enclosed envelope.

In all cases, proxy votes will only be taken into account if the duly completed forms have reached BNP Paribas Securities Services at least 3 days before the meeting, i.e. **at the latest** by **midnight (00:00)** on **Friday 30 May 2014**.

Proxy by Internet

- **Direct registered shareholder:**

- you can submit your request on Planetshares, under the heading My Shares, by connecting using your usual log-in details and going to the page "My shareholder space - My general meetings" and then clicking on the button "Appointing or dismissing a proxy".

- **Bearer or administered registered shareholder:**

- you must send an e-mail to the address paris.bp2s.france.cts.mandats@bnpparibas.com.
This e-mail must necessarily contain the following information: Company name and meeting date, surname, first name, address, bank references of the principal as well as the surname, first name and if possible address of the agent;
- you must necessarily ask your financial intermediary looking after the management of your securities account to send a written confirmation to the General Meetings department of BNP Paribas Securities Services - CTS Assemblées Générales - Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.

Only notifications of the appointment or dismissal of proxies must be sent to the above e-mail address, as any other request or notification relating to any other subject will not be taken into account and/or processed.

In order for the proxy appointments or dismissals conveyed by e-mail to be validly taken into account, the confirmations will have to be received at the latest by 3pm (Paris time) on the day before the meeting.

How to vote remotely during the meeting if you do not wish to attend

Vote by post (with the paper form)

After having ticked box “B ❑ I WILL USE THE POSTAL OR PROXY VOTING FORM SHOWN BELOW” in the upper left of the participation form, you have only to complete the form as follows:

- tick the box “❑ I WILL VOTE BY POST”;

- to vote “YES” to the resolutions, do not fill in the corresponding boxes,

- to vote “NO” or “ABSTENTION” to certain resolutions, individually fill in the corresponding boxes.

Then return this form as quickly as possible:

- **bearer shareholder**, to the financial intermediary providing the management of your securities account, that will forward the documents together with the participation certificate that it will have prepared beforehand;

- **registered shareholder**, to BNP Paribas Securities Services, using the enclosed envelope.

In all cases, postal votes will only be taken into account if the duly completed forms have reached BNP Paribas Securities Services at least 3 days before the meeting, i.e. **at the latest by midnight (00:00) on Friday 30 May 2014.**

Vote by Internet before the meeting

You now have the option of voting by Internet prior to the General Meeting, via the dedicated secure site “https://gisproxy.bnpparibas.com/hermesinternational.pg”, under the following conditions.

- **Registered shareholder**

You have only to connect to the address of the website indicated above, by using the log-in number and password that have been provided to you.

You can request a password by mail by contacting the Gisproxy website and using the log-in located on the upper right-hand side of the participation form sent with the meeting notice.

- **Bearer shareholder**

You must contact your account-keeping institution in order to request a participation certificate, while providing your e-mail address. The account-keeping institution will send the participation certificate and your e-mail address to BNP Paribas Securities Services, the manager of the Internet-based voting site. BNP Paribas Securities Services will use this e-mail address to provide you with a log-in and password that can then be used to connect to the site at the address given above.

We ask you to please carefully follow the instructions shown on the screen.

The dedicated secure site for voting prior to the meeting will be accessible from 13 May 2014. The availability for voting by Internet before the meeting will end on the day before the meeting, i.e. Monday 2 June 2014 at 3pm (Paris time).

To avoid any possible congestion on the dedicated secure Internet site, it is recommended that shareholders should avoid waiting until the day before the meeting in order to vote.

ANY SHAREHOLDER WHO HAS ALREADY VOTED BY POST OR BY INTERNET, REQUESTED AN ADMISSION CARD OR A PARTICIPATION CERTIFICATE (COMMERCIAL CODE ARTICLE R.225-85) CAN NO LONGER CHOOSE A DIFFERENT PARTICIPATION MEANS.

How to submit a written question

Written questions submitted to the Management must be sent to the company's head office by recorded delivery letter, at the latest by the fourth business day prior to the date of the General meeting, i.e. at the latest by Tuesday 27 May 2014 (Paris time).
They must be accompanied by an account registration certificate.

Information on Board members whose re-election and/or appointment is submitted to the General Meeting for approval

ÉRIC DE SEYNES

Eric de Seynes is a direct descendant of Mr. Émile-Maurice Hermès. He has been a member of the Supervisory Board since 7 June 2010. He previously held this office from 2005 until 2008. He also served as Audit Committee member from 2005 to 2008 and as member of the Management Board of Émile Hermès from 2008 to 2010. He was appointed Chairman of the Supervisory Board on 3 March 2011.

Date of appointment to the Board
7 June 2010

Term of appointment expires
2014 General Meeting

Age in 2014
54 years

Nationality
French

Shares held in Hermès International
Legal owner of 203 shares as at 31 December 2013, at least 200 of which are registered

Address
Hermès International
24, rue du Faubourg-saint-Honoré
75008 Paris

CHAIRMAN AND SUPERVISORY BOARD MEMBER OF HERMÈS INTERNATIONAL

Expertise and additional professional experience
Éric de Seynes is a graduate of École Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA) with a specialisation in marketing. Until 2013, he successively served as: marketing manager 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 and chief executive officer of Yamaha Motor France. Since 2014, he has served as Operational Director (COO) of Yamaha Motor Europe NV, while also being chairman of Yamaha Motor France, member of the Global Executive Committee of Yamaha Motor Corporation Japan and chairman of the Chambre syndicale internationale de l'automobile et du motocycle.

Offices and positions held during 2013

Company name		Country	Office
Hermès International	H ◆	France	Chairman and Supervisory Board Member
Brame et Lorenceau	C	France	Director
Groupe Option SAS		France	Chairman
H51		France	Director
Hermès Sellier	H	France	Member of the Management Board
Les Producteurs	C	France	Director
Naturéo Finance SAS		France	Member of the Management Board
Sféric SAS		France	Chairman
Yamaha Motor France	C	France	Director and Chief Executive officer

H Hermès Group company ◆ Listed company C Office taken into account in the calculation of multiple offices

Other offices and positions held during the previous four years and ending before 1 January 2013

Board member of Management Board of Émile Hermès SARL (France), Supervisory board and Audit committee member of Hermès International (France).

RENAUD MOMMÉJA

A direct descendant of Mr. Émile-Maurice Hermès, Renaud Momméja has been a member of the Supervisory Board since 2 June 2005. He has also served as Audit Committee member since 3 June 2008.

Date of appointment to the Board
2 June 2005

Term of appointment expires
2014 General Meeting

Age in 2014
52 years

Nationality
French

Shares held in Hermès International
Legal owner of 120,314 shares as at 31 December 2013, at least 200 of which are registered

Address
Hermès International
24, rue du Faubourg-Saint-Honoré
75008 Paris

MEMBER OF THE SUPERVISORY BOARD AND OF THE AUDIT COMMITTEE OF HERMÈS INTERNATIONAL

Expertise and additional professional experience
He is a graduate of École Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA). Since 2004, he has been the Executive Chairman of SARL Tolazi, rental management, a corporate organisation and strategy consulting firm.
Since 2006, he has been the representative of the SC Lor on the executive management committee of the SC du Château Fourcas Hosten.

Offices and positions held during 2013

Company name		Country	Office
Hermès International	H ◆	France	Supervisory Board and Audit Committee member
28-30-32 Faubourg Saint-Honoré		France	Chairman
Altizo		France	Executive Chairman
Binc		France	Executive Chairman
Comptoir Nouveau de la Parfumerie	H C	France	Director
GFA Château Fourcas Hosten		France	Co-Executive Chairman
H2		France	Chairman
HUSO	C	France	Director
J.L. & Co	H	United Kingdom	Director
Lor		France	Co-Executive Chairman
Rose Investissement		France	Executive Chairman
SARL Tolazi		France	Executive Chairman
SCI Briand Villiers I		France	Executive Chairman
SCI Briand Villiers II		France	Executive Chairman
SCI de l'Univers		France	Executive Chairman
Société Civile du Château Fourcas Hosten		France	Permanent Representative of Lor, Executive Chairman
SCI du 74 du Faubourg Saint Antoine		France	Co-Executive Chairman

Société Immobilière du Faubourg Saint-Honoré "SIFAH"		France	Executive Chairman

H Hermès Group company ◆ Listed company C Office taken into account in the calculation of multiple offices

Other offices and positions held during the previous four years and ending before 1 January 2013

Supervisory Board member of Comptoir Nouveau de la Parfumerie (France) and Chairman of SAS Pollux et Consorts (France).

MONIQUE COHEN

Not related to the Hermès family and an independent director based on the criteria applied by the Company.

Age in 2014
58 years

Nationality
French

Shares held in Hermès International
170

Address
Hermès International
24, rue du Faubourg-Saint-Honoré 75008 Paris

SUPERVISORY BOARD MEMBER OF HERMÈS INTERNATIONAL

Expertise and additional professional experience
Monique Cohen is a graduate of the Polytechnic Institute (X76), with a Masters degree in mathematics and a degree in business law.
She began her career in 1979 at Paribas as a senior banker then as the worldwide manager for equity-related business lines. Starting in 2000, she served as associate director in charge of investments in the sector of services for companies, financial and health services at Apax Partners. She is also the Chief Operating Officer of Altamir Gérance.
Monique Cohen is a director of the Safran group and Supervisory Board member of JCDecaux.
She was also co-opted to join the board of directors of BNP Paribas on 12 February 2014. The ratification of her appointment will be proposed to the meeting held on 14 May 2014.
She has been a member of the panel of the Financial Markets Authority since June 2011 and a member of the European Commission group of experts on venture capital and risk capital.

Offices and positions held during 2013

Company name		Country	office
Apax Partners & Cie Gérance		France	Chief operating officer
Apax Partners midmarket		France	Director
Altamir Gérance		France	Chief operating officer
Altran Technologies		France	Director
Financière midmarket		France	Director
SC Fabadari		France	Assistant manager
SC equa		France	Executive Chairwoman (term ended on 31/12/2013)
Finalliance		France	Director (term ended on 31/12/2013)
Financière Famax		France	Supervisory board member (until 31/12/2013)
equalliance		France	Director (term ended on 31/12/2013)
Financière Duchessel		France	Chairwoman (term ended on 31/12/2013)
Safran	c ◆	France	Director
JCDecaux	c ◆	France	Supervisory Board member
B Capital		France	Director (term ended on 31/12/2013)
Global Project		France	Director (term ended on 31/12/2013), Supervisory board member
Trocadéro Participations II		France	Chairwoman
Trocadéro Participations		France	Chairwoman and Supervisory Board member
SeP Altitude		France	Director
Texavenir II		France	Chairwoman and Supervisory Board member
Fabadari SC		France	Assistant manager
Wallet		Belgium	Director and Chairwoman of the Board of Directors

Wallet Investissement 1		Belgium	Director and Chairwoman of the Board of Directors
Wallet Investissement 2		Belgium	Director and Chairwoman of the Board of Directors
Buy Way Personal Finance Belgium		Belgium	Director
Buy Way Tech		Belgium	Director
Proxima Investissement		Luxembourg	Director and Chairwoman of the Board of Directors
Société de Financement Local (SFIL)		France	Director
Santemedia Groupe Holding		Luxembourg	Manager (Class C)

H Hermès Group company ◆ Listed company C Office taken into account in the calculation of multiple offices

Other offices and positions held during the previous four years and ending before 1 January 2013
None

Agenda

I - Ordinary business

[1] Presentation of reports to be submitted to the Ordinary General Meeting

• Executive Management's reports:
- on the financial statements for the year ended 31 December 2013 and on the Company's business operations for the period;
- on the management of the Group and on the consolidated financial statements for the year ended 31 December 2013;
- on resolutions relating to ordinary business.

• Report from the Chairman of the Supervisory Board:
- on the corporate governance principles applied by the Company, on the composition of the Supervisory Board and on the application of the principle of gender parity within it, on the conditions for preparation and organisation of the Supervisory Board's work and on the internal control and risk management procedures instituted by the Company.

• Supervisory Board's report

• Statutory Auditors' reports:
- on the annual financial statements;
- on the consolidated financial statements;
- on related-party agreements and commitments;
- prepared in application of article L 226-10-1 of the Commercial code on the Report from the Chairman of the Supervisory Board.

[2] Vote on resolutions relating to ordinary business

• First resolution - Approval of the parent company financial statements.

• Second resolution - Approval of the consolidated financial statements.

• Third resolution - Discharge of Executive Management

• Fourth resolution - Appropriation of net income – Dividend distribution

• Fifth resolution - Approval of related-party agreements and commitments.

• Sixth resolution - Re-election of Mr. Éric de Seynes as Supervisory Board member for a term of three years.

• Seventh resolution - Re-election of Mr. Renaud Momméja as Supervisory Board member for a term of three years.

• Eighth resolution - Appointment of Mrs. Monique Cohen as a new Supervisory Board member for a term of three years as replacement for Mr. Maurice de Kervénoaël.

• Ninth resolution - Supervisory board fees and remunerations

• Tenth resolution - Approval of the commitments made to Mr. Axel Dumas regarding the cessation of his duties as Executive Chairman.

• Eleventh resolution - Opinion on the compensation elements owed or allocated as of 5 June 2013 (date of his appointment as Executive Chairman) to 31 December 2013 to Mr. Axel Dumas.

• Twelfth resolution - Opinion on the compensation elements owed or allocated in respect of the year ended 31 December 2013, to the company Émile Hermès SARL, Executive Chairman of the company.

• Thirteenth resolution - Opinion on the compensation elements owed or allocated in respect of the year ended 31 December 2013 and from 1 to 31 January 2014 (date of the cessation of his duties as Executive Chairman), to Mr. Patrick Thomas.

• Fourteenth resolution - Authorisation to the executive Management to trade in the Company's shares.

II - EXTRAORDINARY BUSINESS

[1] Presentation of reports to be submitted to the Extraordinary General Meeting

• Executive Management's report:
- on resolutions relating to extraordinary business.

• Supervisory Board's report

• Statutory Auditors' report:
- on the capital reduction through the cancellation of purchased shares (thirteenth resolution);
- on the authorisation to allocate share purchase options (sixteenth resolution);
- on the allocation of existing free shares (nineteenth resolution).

• Report from one of the statutory auditors, designated as the independent third party organisation, on the consolidated social, environmental and societal information contained in the management report

[2] Vote on resolutions relating to extraordinary business

• Fifteenth resolution - Authorisation to cancel some or all of the shares purchased by the Company (Article L 225-209 of the Commercial code) - General share cancellation programme

• Sixteenth resolution - Authorisation to the Executive Management to grant share purchase options

• Seventeenth resolution - Authorisation to the Executive Management to grant ordinary shares in the Company for no consideration

• Eighteenth resolution - Modification of article 18 of the articles of incorporation for the purposes of determining the provisions for the appointment of Supervisory board members representing the employees in compliance with the provisions of the law of 14 June 2013 relative to the safeguarding of employment, and also to include an indication therein of the existence of rules of procedure.

• Nineteenth resolution - Powers.

Description of proposed resolutions[1]

We invite you to approve all of the resolutions proposed to you, which are presented below.

I – Ordinary business

Approval of the parent company and consolidated financial statements – Discharge of Executive Management

In the first, second and third resolutions, we ask that you duly note the amount of expenses and charges covered by Article 39-4 of the General Tax Code, which totalled €182,256; that you approve the parent company financial statements and consolidated financial statements for the year ended 31 December 2013 as they have been presented to you; and that you grant final discharge to the Executive Management for its management of the Company for the said financial year.

Appropriation of net income – Dividend distribution

In the 4th resolution, we submit to you for approval the appropriation of net income for the year, in the amount of €544,302,496.73. Of this amount, and in application of the articles of association, €284,158.00 are to be appropriated to the reserve for purchasing original works of art and, pursuant to the articles of association, €3,646,826.73 are to be distributed to the Active Partner. The Supervisory Board recommends that you fix the dividend at €2.70 per share. This represents an increase of 8% in the dividend relative to the previous year.

In accordance with Article 243 *bis* of the General Tax Code, this dividend entitles shareholders who are natural persons and liable for income tax in France to a 40% tax allowance; this entire dividend will be taken into account ipso jure for the determination of their overall income subject to the income tax schedule, and will be eligible for the 40% allowance as provided by Article 158-3 of the General Tax Code.

After the interim dividend of €1.50 per share paid on 28 February 2014, the remainder of the dividend for the year, which amounts to €1.20 per share, will be detached from the shares on 5 June 2014 and be payable in cash on 10 June 2014 based on closing positions on the evening of 9 June 2014. As Hermès International is not entitled to receive dividends for shares held in treasury, the corresponding sums will be transferred to retained earnings on the date the dividend becomes payable.

The gross dividend per share paid in respect of each of the three previous financial years is as follows:

in euros

Financial year	2012	2011	2010
Ordinary dividend	2.50	2.00	1.50
Exceptional dividend	-	5.00	-
Amount eligible for tax allowance pursuant to Article 158-3 of the GTC	40%	40%	40%

We note that the five-year summary of the Company's financial data required under Article R225-102 of the Commercial code is presented on page 38.

[1] The references marked with an asterisk (*) in the above page correspond to the pages in Volume 2 of the 2013 Annual Report.

Related-party agreements and commitments

In the 5th resolution, we ask that you formally note the related-party agreements and commitments covered by Articles L 226-10 and L 225-38 to L 225-40 of the Commercial code, which are described in the Statutory Auditors' special report on pages 40 to 46.

The new agreements, the only ones submitted for a vote by the meeting, involve:

– the granting by Hermès International of sureties and guarantees to certain of its subsidiaries;

– the deferred compensation commitments made in favour of Mr. Axel Dumas, Executive Chairman;

– the signing of a non-competition commitment with Mr. Patrick Thomas at the time of his departure from the group.

Re-election of Supervisory Board members

The terms of office of three Supervisory Board members (Messrs. Éric de Seynes, Renaud Momméja and Maurice de Kervénoaël) will be coming to an end at the closing of the present meeting.

Mr. Maurice de Kervénoaël does not wish to put forward his name again. In the 6th and 7th resolutions, the active partner proposes that you renew the terms of office of two of the three Supervisory Board members that are coming to an end, for the statutory term of three years:

– Mr. Éric de Seynes,

– Mr. Renaud Momméja.

These terms of office will therefore expire at the end of the General meeting called in 2017 in order to vote on the financial statements for the fiscal year ending on 31 December 2016.

Pages 6 and 7 contain information on the persons whose re-election is submitted for your approval.

Appointment of new Supervisory Board member

In the 8th resolution, the Active Partner proposes that you appoint Mrs. Monique Cohen as Supervisory Board member for the statutory term of three years to replace Mr. Maurice de Kervénoaël who did not wish to put forward his name once again. This term of office will therefore expire at the end of the General Meeting called in 2017 in order to vote on the financial statements for the financial year ending on 31 December 2016. Pages 8 and 9 contain information regarding the person whose appointment is submitted for your approval.

Supervisory board fees and remunerations

In the 9th resolution, you are asked to set the amount of the directors' fees and compensation of the Supervisory board at €500,000 in order to account for the new distribution principles adopted by the Supervisory board on 20 November 2013 and in anticipation of the evolution of the Board's composition (as presented in the report from the Chairman of the Supervisory board, page 16). This amount would be valid for each fiscal year beginning as of 1 January 2014, and remain in effect until decided otherwise.

Approval of the commitments made to Mr. Axel Dumas regarding the cessation of his duties as Executive Chairman.

In the 10th resolution, you are asked to approve, pursuant to the provisions of articles L 225-42-1 and 226-10 of the Commercial code, the commitments made in favour of Mr. Axel Dumas relative to the cessation of his duties as Executive Chairman.

These commitments are described in the table relative to Mr. Axel Dumas that is contained in the presentation of the 11th resolution below and in the statutory auditors' special report, page 40.

Opinion on the compensation elements owed or allocated to the executive chairmen

In the 11th, 12th and 13th resolutions, we ask you to provide a favourable opinion on the compensation elements owed or allocated to the executive chairmen relative to the 2013 financial year, as presented in the three following tables.

With regard to Mr. Axel Dumas, the submitted elements relate to the period from 5 June 2013 (date of his appointment as executive chairman) to 31 December 2013.

As Mr. Patrick Thomas is no longer serving on the date of the present Meeting, for transparency purposes, we nevertheless wish to present these elements for the 2013 financial year, as well as for the period between 1 and 31 January 2014 (date of the cessation of his duties as executive chairman), for an opinion.

Under the terms of Article L 26 of the articles of association, the Company pays 0.67% of the distributable profits to the company Émile Hermès SARL (i.e. €3,646,826.73 in 2013), but this does not constitute a senior executive's compensation.

<table>
<tr><th>Compensation elements</th><th>Amount or accounting valuation (in euros)</th><th colspan="2">Presentation</th></tr>
<tr><td colspan="4">11th resolution: Mr. Axel Dumas</td></tr>
<tr><td>Gross annual variable compensation under the articles of association</td><td>From 5 June 2013 (date of his appointment as executive chairman) to 31 December 2013, €431,250</td><td>The gross annual compensation of each Executive Chairman for a given year, as authorised by the articles of association, shall not be more than 0.20% of the Company's consolidated income before tax (i.e. €2,199,205 for 2013) for the previous financial year.
However, if there are more than two executive Chairmen, the combined total gross annual compensation of all executive Chairmen, according to the articles of association, shall not be more than 0.40% of the Company's consolidated income before tax (i.e. €4,398,410 for 2013) for the previous financial year.
Within the ceiling set forth herein, the Management Board of the Active Partner Émile Hermès SARL determines the actual amount of the annual compensation pursuant to the articles of association payable to each Executive Chairman.
The compensation paid in 2013 to Mr. Axel Dumas pursuant to the articles of association was determined by the Management Board on 31 May 2013.</td><td rowspan="2">Each Executive Chairman has the right to receive certain compensation under Article 17 of the articles of association, and may also receive supplemental compensation, the maximum amount of which is determined by the Ordinary General Meeting with the unanimous approval of the Active Partners.

Both the compensation provided by the articles of association and the supplemental compensation are in the nature of "variable" salaries, since the calculation methods provided merely constitute ceilings subject to which the Active Partner is free to set the actual compensation of the Executive Chairmen as it sees fit. Thus, Executive Chairmen are not guaranteed any minimum compensation.
In order to make it easier to understand the manner of calculation of the compensation of the Executive Chairmen, the Company has always described their additional compensation, before indexation, as "fixed compensation", by analogy with market practices.</td></tr>
<tr><td>Gross annual supplemental compensation</td><td>From 5 June 2013 to 31 December 2013, €431,250

– Fixed component: €431,250
– Percentage indexed to revenue growth: €0</td><td>The General Meeting of 31 May 2001 decided to allocate to each Executive Chairman gross annual compensation in addition to their compensation pursuant to the articles of association, subject to a ceiling of €457,347.05. This ceiling is indexed each year, but it can only be adjusted upwards. Since 1 January 2002, this amount has been indexed to the growth of 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 (i.e. €1,494,845 for 2013). Within the ceiling set forth above, the Management Board of the Active Partner Émile Hermès SARL determines the actual amount of the annual supplemental compensation payable to each Executive Chairman.
The supplemental compensation paid in 2013 to Mr. Axel Dumas was determined by the Management Board on 31 May 2013.</td></tr>
<tr><td>Deferred variable compensation</td><td>Not applicable</td><td colspan="2">No provision is made for the principle of the allocation of deferred variable compensation.</td></tr>
<tr><td>Multi-year variable compensation</td><td>Not applicable</td><td colspan="2">No multi-year compensation mechanism was implemented in 2013.</td></tr>
<tr><td>Exceptional compensation</td><td>Not applicable</td><td colspan="2">No provision is made for such compensation.</td></tr>
</table>

Compensation elements	**Amount or accounting valuation (in euros)**	**Presentation**
Share options, performance shares or any other long-term compensation element	Purchase options = N/A Performance shares = N/A Other elements = N/A	No plan for purchase options nor allocation of performance shares for the benefit of the Executive Chairmen occurred during the 2013 financial year.
Signing bonus	Not applicable	No such commitment exists.
Severance pay	€0	The company has agreed to pay Mr. Axel Dumas an amount equal to 24 months of overall compensation (compensation under the articles of association and supplemental compensation) in case of cessation of his duties as Executive Chairman (decision of the Supervisory Board of 4 June 2013 subject to approval by the General meeting on 3 June 2014 in a specific resolution – 9th resolution – in application of article L 225-42-1 of the Commercial code). This commitment was made according to the same provisions as had been the case with Mr. Patrick Thomas. Indeed, the payment of severance is subject to the fact that the cessation of the Executive Chairman's duties results: – either from a decision taken by Mr. Axel Dumas by reason of a change of control over the Company, a change in the Executive Manager of Émile Hermès SARL, i.e. the Company's Executive Chairman, 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 realisation of the following performance conditions, in order for the conditions of his departure to be in line with the Company's situation: achieving budget targets in at least four out of the five previous years (with revenue and operating profit growth measured at constant rates), without deterioration in the Hermès brand and corporate image. The Supervisory Board considered that the deferred compensation commitment made for the benefit of Mr. Axel Dumas complies with the requirements of the AFEP/MEDEF corporate governance code.
Non-competition indemnity	Not applicable	Mr. Axel Dumas is not subject to a non-competition commitment, meaning that there are no provisions for such an indemnity.
Supplementary pension scheme	No amount is owed for the 2013 financial year	*Defined contribution pension plan (art. 83 of the GTC)* Mr. Axel Dumas is covered by the defined contribution supplementary pension plan set up for all personnel members of the Group's French companies (decision of the Supervisory Board of 4 June 2013 subject to approval by the General meeting on 3 June 2014 – 4th resolution – in application of article L 225-42-1 of the Commercial code). *Defined benefits pension plan (art. 39 of the GTC)* Mr. Axel Dumas is also eligible for the supplementary pension plan set up in 1991 for the benefit of all company directors (decision of the Supervisory Board of 4 June 2013 subject to approval by the General meeting on 3 June 2014 – 4th resolution – in application of article L 225-40 of the Commercial code). 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 10 years of seniority, and be eligible to draw pension benefits under the basic state Social Security regime. The annual benefit under this plan, if all eligibility conditions are met, will be calculated according to the average of the 3 last annual salaries, and cannot exceed a ceiling of 8 times the Social security ceiling.
Directors' fees	Not applicable	The Executive Chairmen do not receive any directors' fees.
Valuation of benefits in kind	€2,110	The only benefits in kind provided to Mr. Axel Dumas are a company car and a representation policy. Mr. Axel Dumas is covered by the health expenses plan and provident fund set up by the group for all of the personnel of the entities in France.

<table>
<tr><th>Compensation elements</th><th>Amount or accounting valuation (in euros)</th><th colspan="2">Presentation</th></tr>
<tr><td colspan="4">12th resolution: Émile Hermès SARL</td></tr>
<tr><td>Gross annual variable compensation under the articles of association</td><td>From 1 January to 31 December 2013, €2,199,205</td><td>The gross annual compensation of each Executive Chairman for a given year, as authorised by the articles of association, shall not be more than 0.20% of the Company's consolidated income before tax (i.e. €2,199,205 for 2013) for the previous financial year.
However, if there are more than two executive Chairmen, the combined total gross annual compensation of all executive Chairmen, according to the articles of association, shall not be more than 0.40% of the Company's consolidated income before tax (i.e. €4,398,410 for 2013) for the previous financial year.
Within the ceiling set forth herein, the Management Board of the Active Partner Émile Hermès SARL determines the actual amount of the annual compensation pursuant to the articles of association payable to each Executive Chairman.
The compensation paid in 2013 to the Émile Hermès SARL company pursuant to the articles of association was determined by the Management Board on 20 March 2013.</td><td rowspan="2">Each Executive Chairman has the right to receive certain compensation under Article 17 of the articles of association, and may also receive supplemental compensation, the maximum amount of which is determined by the Ordinary General Meeting with the unanimous approval of the Active Partners.

Both the compensation provided by the articles of association and the supplemental compensation are in the nature of "variable" salaries, since the calculation methods provided merely constitute ceilings subject to which the Active Partner is free to set the actual compensation of the Executive Chairmen as it sees fit. Thus, Executive Chairmen are not guaranteed any minimum compensation.
In order to make it easier to understand the manner of calculation of the compensation of the Executive Chairmen, the Company has always described their additional compensation, before indexation, as "fixed compensation", by analogy with market practices.</td></tr>
<tr><td>Gross annual supplemental compensation</td><td>From 1 January to 31 December 2013, €1,494,845

– Fixed component: €1,284,559
– Percentage indexed to revenue growth: €210,286</td><td>The General Meeting of 31 May 2001 decided to allocate to each Executive Chairman gross annual compensation in addition to their compensation pursuant to the articles of association, subject to a ceiling of €457,347.05. This ceiling is indexed each year, but it can only be adjusted upwards. Since 1 January 2002, this amount has been indexed to the growth of 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 (i.e. €1,494,845 for 2013). Within the ceiling set forth above, the Management Board of the Active Partner Émile Hermès SARL determines the actual amount of the annual supplemental compensation payable to each Executive Chairman.
The supplemental compensation paid in 2013 to the Émile Hermès SARL company was determined by the Management Board on 20 March 2013.</td></tr>
<tr><td>Deferred variable compensation</td><td>Not applicable</td><td colspan="2">No provision is made for the principle of the allocation of deferred variable compensation.</td></tr>
<tr><td>Multi-year variable compensation</td><td>Not applicable</td><td colspan="2">No multi-year compensation mechanism was implemented in 2013.</td></tr>
<tr><td>Exceptional compensation</td><td>Not applicable</td><td colspan="2">No provision is made for such compensation.</td></tr>
<tr><td>Share options, performance shares or any other long-term compensation element</td><td>Purchase options = N/A
Performance shares = N/A
Other elements = N/A</td><td colspan="2">No plan for purchase options nor allocation of performance shares for the benefit of the Executive Chairmen occurred during the 2013 financial year.</td></tr>
<tr><td>Signing bonus</td><td>Not applicable</td><td colspan="2">No such commitment exists.</td></tr>
<tr><td>Severance pay</td><td>Not applicable</td><td colspan="2">No such commitment exists.</td></tr>
<tr><td>Non-competition indemnity</td><td>Not applicable</td><td colspan="2">No such commitment exists.</td></tr>
<tr><td>Supplementary pension scheme</td><td>Not applicable</td><td colspan="2">As a legal person, Émile Hermès SARL is not eligible for a supplementary pension plan.</td></tr>
<tr><td>Directors' fees</td><td>Not applicable</td><td colspan="2">The Executive Chairmen do not receive any directors' fees.</td></tr>
<tr><td>Valuation of benefits in kind</td><td>Not applicable</td><td colspan="2">Émile Hermès SARL does not receive any benefits in kind.</td></tr>
</table>

<table>
<tr><th>Compensation elements</th><th>Amount or accounting valuation (in euros)</th><th colspan="2">Presentation</th></tr>
<tr><td colspan="4">13th resolution: Mr. Patrick Thomas</td></tr>
<tr><td>Gross annual variable compensation under the articles of association</td><td>From 1 January to 31 December 2013, €1,228,176 + €539,779 as a supplement I.e. a total of €1,767,955

From 1 to 31 January 2014, €102,348</td><td>The gross annual compensation of each Executive Chairman for a given year, as authorised by the articles of association, shall not be more than 0.20% of the Company’s consolidated income before tax (i.e. €2,199,205 for 2013) for the previous financial year.
However, if there are more than two executive Chairmen, the combined total gross annual compensation of all executive Chairmen, according to the articles of association, shall not be more than 0.40% of the Company’s consolidated income before tax (i.e. €4,398,410 for 2013) for the previous financial year.
Within the ceiling set forth herein, the Management Board of the Active Partner Émile Hermès SARL determines the actual amount of the annual compensation pursuant to the articles of association payable to each Executive Chairman.
The compensation paid in 2013 to Mr. Patrick Thomas pursuant to the articles of association was determined by the Management Board on 20 March 2013, and the supplement by the Management Board on 19 November 2013.
The compensation owed to Mr. Patrick Thomas in 2014 pursuant to the articles of association for 2013 (only for January) was determined by the Management Board on 18 March 2014.</td><td rowspan="2">Each Executive Chairman has the right to receive certain compensation under Article 17 of the articles of association, and may also receive supplemental compensation, the maximum amount of which is determined by the Ordinary General Meeting with the unanimous approval of the Active Partners.
Both the compensation provided by the articles of association and the supplemental compensation are in the nature of “variable” salaries, since the calculation methods provided merely constitute ceilings subject to which the Active Partner is free to set the actual compensation of the Executive Chairmen as it sees fit. Thus, Executive Chairmen are not guaranteed any minimum compensation.
In order to make it easier to understand the manner of calculation of the compensation of the Executive Chairmen, the Company has always described their additional compensation, before indexation, as “fixed compensation”, by analogy with market practices.</td></tr>
<tr><td>Gross annual supplemental compensation</td><td>From 1 January to 31 December 2013, €1,147,824 + €347,021 as a supplement. I.e. a total of €1,494,845

– Fixed component: €1,284,559
– Percentage indexed to revenue growth: €210,286

From 1 to 31 January 2014, €95,652

– Fixed component: €95,652
– Percentage indexed to revenue growth: €0</td><td>The General Meeting of 31 May 2001 decided to allocate to each Executive Chairman gross annual compensation in addition to their compensation pursuant to the articles of association, subject to a ceiling of €457,347.05. This ceiling is indexed each year, but it can only be adjusted upwards. Since 1 January 2002, this amount has been indexed to the growth of 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 (i.e. €1,494,845 for 2013). Within the ceiling set forth above, the Management Board of the Active Partner Émile Hermès SARL determines the actual amount of the annual supplemental compensation payable to each Executive Chairman.
The supplemental compensation paid in 2013 to Mr. Patrick Thomas was determined by the Management Board on 20 March 2013, and the supplement by the Management Board on 19 November 2013.
The supplemental compensation owed to Mr. Patrick Thomas in 2014 for 2013 (only for January) was determined by the Management Board on 18 March 2014.</td></tr>
<tr><td>Deferred variable compensation</td><td>Not applicable</td><td colspan="2">No provision is made for the principle of the allocation of deferred variable compensation.</td></tr>
<tr><td>Multi-year variable compensation</td><td>Not applicable</td><td colspan="2">No multi-year compensation mechanism was implemented in 2013.</td></tr>
<tr><td>Exceptional compensation</td><td>Not applicable</td><td colspan="2">No provision is made for such compensation.</td></tr>
</table>

Compensation elements	Amount or accounting valuation (in euros)	Presentation
Share options, performance shares or any other long-term compensation element	Purchase options = N/A Performance shares = N/A Other elements = N/A	No plan for purchase options nor allocation of performance shares for the benefit of the Executive Chairmen occurred during the 2013 financial year.
Signing bonus	Not applicable	No such commitment exists.
Severance pay	€0	The Company had agreed to pay Mr. Patrick Thomas an amount equal to 24 months' compensation (sum of compensation as authorised by the articles of association and supplemental compensation) in the event that his appointment as Executive Chairman is terminated (decision of the Supervisory Board on 19 March 2008, approved by the General Meeting on 3 June 2008, 5th resolution). On 18 March 2009, the Supervisory Board had decided that the payment of this amount would be subject to the termination of Mr. Thomas' appointment as Executive Chairman resulting: – either from a decision of the Executive Chairman by reason of a change of control over the Company, a change in the Executive Manager 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. This commitment had been made subject to the realisation of the following performance conditions, in order for the conditions of his departure to be in line with the Company's situation: achieving budget targets in at least four out of the five previous years (with revenue and operating profit growth measured at constant rates), without deterioration in the Hermès brand and corporate image. Mr. Patrick Thomas requested termination of his term of office as Executive Chairman of the company as of 31 January 2014, notably in order to claim his retirement rights, which did not result in his entitlement to the payment of this severance pay, which is therefore non-applicable.
Non-competition indemnity	€966,300 for each of the years 2014, 2015, 2016 and 2017	During its meeting on 19 November 2013, the Management Board of the company Émile Hermès SARL decided to provide Mr. Patrick Thomas with inclusive annual compensation of €966,300 for each of the years 2014, 2015, 2016 and 2017 since he will be subject to a non-competition obligation for ten years. This non-competition commitment was approved by the Supervisory Board during its meeting on 20 November 2013 pursuant to the related-party agreements.
Supplementary pension scheme	No amount is owed for the 2013 financial year	*Defined contribution pension plan (art. 83 of the GTC)* Mr. Patrick Thomas was covered by the defined contribution supplementary pension plan set up for all personnel members of the Group's French companies (decision of the Supervisory Board of 19 March 2008, approved by the General meeting on 3 June 2008 – 6th resolution). *Defined benefits pension plan (art. 39 of the GTC)* Mr. Patrick Thomas was also eligible for the supplementary pension plan set up in 1991 for the benefit of all company directors (decision of the Supervisory Board of 19 March 2008, approved by the General meeting on 3 June 2008 – 6th resolution). 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 10 years of seniority, and be eligible to draw pension benefits under the basic state Social Security regime. The annual benefit under this plan, if all eligibility conditions are met, will be calculated according to the average of the 3 last annual salaries, and cannot exceed a ceiling of 8 times the Social security ceiling.
Directors' fees	Not applicable	The Executive Chairmen do not receive any directors' fees.
Valuation of benefits in kind	€3,754	Mr. Patrick Thomas had the use of a company car. This was the only benefit in kind that he received. Mr. Patrick Thomas was covered, until leaving his position on 31 January 2014, by the health expenses plan and provident fund set up by the group for all of the personnel of the entities in France.

Grant of authority to the Executive Management - Share buyback programme

In the 14th resolution, you are asked to renew the authorisation granted to the Executive Management to trade in the Company's own shares, under the conditions stipulated therein, more specifically:

- purchases and sales of shares representing up to 10% of the share capital would be authorised;
- the maximum purchase price (excluding costs) would be €400 per share. The maximum amount of funds to be committed would be €800 million. It is stipulated that treasury shares on the day of the General Meeting are not taken into account in this maximum amount. This authorisation would be valid for eighteen months from the date of the General Meeting.

II – EXTRAORDINARY BUSINESS

Grants of authority to the Executive Management - Cancellation of shares

In the 15th resolution, you are asked to renew the authorisation granted to the Executive Management to cancel some or all of the shares purchased by the Company on the stock market under the share buyback programme, on one or more occasions, up to a maximum of 10% of the share capital. This authorisation would enable the Company to cancel shares issued to cover stock options that are no longer exercisable or that have expired.

This authorisation would be valid for twenty-four months from the date of the General Meeting.

Grants of authority to the Executive Management - Share purchase options

In the 16th resolution, we ask that you renew the authorisation provided to the Executive Management to grant options to purchase shares to employees and corporate officers of the Company and its subsidiaries, so as to continue the Group's policy of giving employees a stake in the Group's growth.

The total number of options that may be granted and that have not yet been exercised and the total number of free shares granted under the terms of the 17th resolution shall not represent more than 2% of the total number of ordinary shares description of proposed resolutions outstanding on the date on which the options to purchase shares would be granted, not including those options granted under the terms of previous authorisations. The purchase price of the shares would be fixed by the Executive Management within the limitations and in accordance with the terms and conditions stipulated by law.

Given currently applicable regulations, the purchase price will be equal to 100% of the average of opening share prices during the twenty trading days preceding the day on which the options would be granted, without being less than 80% of the average purchase price of the shares held by the company, notably acquired through the share buyback programme. This price would not be subject to change during the lifespan of the options unless the Company were to enter into the financial transactions covered by Article L 225-181 of the Code de Commerce. In this case, the Executive Management would adjust the number of shares and the price in accordance with the applicable statutory provisions. The options would be exercisable within a maximum term of seven years from the option grant date.

In accordance with the statutory provisions currently in effect, and subject to their possible modification in the future, in the event of a grant of share purchase options to an Executive Chairman, the Company would ensure that it would either:

- also grant such options to all of the Company's employees and to at least 90% of the employees of its French subsidiaries; or
- distribute free shares to the aforesaid employees; or
- enhance the terms of employee incentive and/ or profit-sharing schemes of the Company and its subsidiaries (or institute such schemes, where applicable).

Furthermore, in accordance with the AFEP/ MEDEF Code of Corporate Governance applied by the Company, any options granted to the Executive Management:

- would be contingent upon meeting serious and demanding performance criteria over the course of several consecutive years, that will be defined at the time of the grant;
- would be limited to a maximum percentage of 0.05%, with this sub-ceiling applying against the 2% ceiling common to the authorisations granted in the 16th and 17th resolutions.

This authorisation would be valid for thirty-eight months from the date of the General Meeting.

Grants of authority to the Executive Management - Free share distribution

In the 17th resolution, we ask that you renew the authorisation provided to the Executive Management to grant ordinary shares in the Company for no consideration.

The total number of shares granted for no consideration and the total number of share purchase options granted pursuant to the 16th resolution and not yet exercised shall not represent more than 2% of the total number of ordinary shares outstanding on the free share allotment date, not including those options granted under the terms of previous authorisations. The vesting period for the shares granted shall not be less than two years, plus a holding period by the beneficiaries of no less than two years, except in the special cases set out in the resolution.

As in the case of share purchase options, in accordance with the statutory provisions currently in effect, and subject to their possible change in the future, in the event of a free share distribution to the Executive Management, the Company would either:

- grant free shares to all of the Company's employees and to at least 90% of the employees of its French subsidiaries;
- grant options to purchase shares to the aforesaid employees; or
- enhance the terms of employee incentive and/ or profit-sharing schemes of the Company and its subsidiaries (or institute such schemes, where applicable).

Furthermore, in accordance with the AFEP/MEDEF Code of Corporate Governance applied by the Company, any free shares granted to the Executive Management:

would be contingent upon meeting performance criteria defined at the time of the grant;

- would be limited to a maximum percentage of 0.05%, with this sub-ceiling applying against the 2% ceiling common to the authorisations granted in the 16th and 17th resolutions.

This authorisation would be valid for thirty-eight months from the date of the General Meeting.

Modification of article 18 of the articles of association

The law of 14 June 2013 relative to the safeguarding of employment calls for the participation of employee representatives, with voting rights, in the meetings of the boards of directors (or supervisory boards) of large companies. The companies in questions are ones with total personnel equal to at least 10,000 employees worldwide or 5,000 in France.

The company is therefore subject to this requirement and must accordingly include, in its articles of association, the provisions for assigning Supervisory Board members who represent the Group's employees. In the 18th resolution, we ask you to modify article 18 of the articles of incorporation, for the purposes of determining the provisions for the appointment of Supervisory Board members representing the group's employees in compliance with the provisions of the law of 14 June 2013 relative to the safeguarding of employment.

Our proposal is that both the first and the second Supervisory Board members representing the employees should be appointed by the company's Group committee in view of the role of this employee representation body, which is the management's preferred contact and the members of which are drawn from the various works councils or individual personnel delegations from within the group companies.

In keeping with the law, the Group committee was consulted and, on 26 March 2014, gave a unanimous and favourable opinion as to the proposed appointment provisions.

The number of Supervisory Board members taken into account when determining the number of Supervisory Board members representing the employees will be assessed on the date of the appointment of the employee representatives to the Board. Neither the Supervisory Board members elected by the employees under article L 225-27 of the Commercial code, nor the employee shareholder Supervisory Board members appointed in accordance with article L 225-23 of the Commercial code will therefore be taken into account.

The Supervisory Board members representing the employees must, at least two years beforehand, have signed an employment contract with the company or one of its direct or indirect subsidiaries having its registered office in France or abroad. The Supervisory Board would meet after the Meeting on 3 June 2014 consisting of eleven members. Pursuant to the legal provisions, a single Supervisory board member representing the employees must therefore be assigned this year for the statutory term of three years. This appointment must occur before 3 December 2014, provided that this 18th resolution is passed.

Like the other Supervisory Board members, the term of the Supervisory Board members representing the employees would be for three years.

A reduction to twelve or fewer than twelve Supervisory Board members would have no effect on the term of all Supervisory Board members representing the Group's employees, that would come to an end upon its normal expiry.

Notwithstanding article 18.1 of the articles of association, the Supervisory Board members representing the Group's employees would not be required to be shareholders.

We also propose that you use the opportunity of this modification of article 18 of the articles of association in order to mention therein the existence of Supervisory Board rules of procedure and the obligation for all Supervisory Board members to comply with them.

Summary of the use of financial authorisations[2]

In accordance with the provisions of Article L 225-100, paragraph 7 of the Commercial code, the table below summarises the delegations of authority and powers granted to the executive Management by the General Meeting, in financial matters, differentiating: all authorisations currently in effect; any authorisations used during 2012, if relevant; new authorisations to be submitted to the shareholders at the General Meeting of 3 June 2014.

<table>
<tr><th></th><th>Resolution No.</th><th>Term of authorisation Expires [3]</th><th colspan="2">Characteristics</th><th>Used during 2012</th></tr>
<tr><td colspan="6">Combined General Meeting of 30 May 2011</td></tr>
<tr><td>Capital increase by capitalisation of reserves</td><td>24th</td><td>26 months
4 June 2013</td><td colspan="2">The face value of the capital increases likely to be carried out immediately and/or in the future pursuant to the present delegation cannot be greater than 20% of the issued capital on the meeting date, with the capital increases carried out pursuant to the present delegation not being applied to the common cap of the delegations granted in resolutions 25, 26 and 27.</td><td>None</td></tr>
<tr><td>Issues with pre-emptive subscription rights all securities giving access to equity</td><td>25th</td><td>26 months
4 June 2013</td><td rowspan="2">The face value of the capital increases likely to be carried out immediately and/or in the future pursuant to the present delegation cannot be greater than 20% of the issued capital, with this ceiling being common to all capital increases carried out pursuant to the delegations granted in the 25th, 26th and 27th resolutions.</td><td rowspan="2">The face value of the debt instruments likely to be issued pursuant to the present delegation cannot be greater than 20% of the issued capital, with this cap being common to all issues carried out pursuant to the delegations granted in resolutions 25 and 26.</td><td>None</td></tr>
<tr><td>Issues without pre-emptive subscription rights all securities giving access to equity</td><td>26th</td><td>26 months
4 June 2013</td><td>None</td></tr>
<tr><td>Capital increase without pre-emptive subscription right in favour of members of a savings plan</td><td>27th</td><td>26 months
4 June 2013</td><td colspan="2">The face value of the capital increases likely to be carried out immediately and/or in the future pursuant to the present delegation cannot be greater than 1% of the issued capital, with this cap being applied to the 20% ceiling that is common to the delegations granted in resolutions 25, 26 and 27.
Discount set at 20% of the average of the listed prices of the Company's shares during the twenty Stock market sessions preceding the day of the decision establishing the subscription opening date.</td><td>None</td></tr>
<tr><td colspan="6">Combined General Meeting of 29 May 2012</td></tr>
<tr><td>Share buyback</td><td>10th</td><td>18 months
4 June 2013</td><td colspan="2">Ceiling 10% of share capital
Maximum purchase price €400
Maximum amount of funds committed €800 million</td><td>See page 111</td></tr>
<tr><td>Cancellation of shares purchased (general cancellation programme)</td><td>12th</td><td>24 months
4 June 2013</td><td colspan="2">Ceiling 10% of share capital</td><td>None</td></tr>
</table>

2. The references marked with an asterisk (*) in the above page correspond to the pages in Volume 2 of the 2013 Annual Report.
3. For the indication of the expiration dates that are currently valid before the General meeting on 4 June 2013, consideration was given to the authorisations that cancelled the authorisations granted for similar purposes, for the remainder of the initial term and the unused fraction thereof.

	Resolution No.	Term of authorisation Expires [3]	Characteristics		Used during 2012
Options to purchase existing shares	13th	38 months *4 June 2013*	The number of call options granted pursuant to resolution 13 and the number of shares allotted at no cost in accordance with resolution 14 cannot represent a number of shares greater than 2% of the total number of shares existing at the time of the allotment, without taking into account the ones granted pursuant to the preceding authorisations.	The Management will set the share purchase price within the limits and pursuant to the provisions of article L 225-177 sub-paragraph 4 of the Commercial code, and it will be at least equal to the average listed prices on the twenty Stock market sessions preceding the option allotment, without being less than 80% of the average purchase price of the shares held. in the event that free shares are granted to one or more Executive Chairmen: – the Company must meet one or more of the conditions listed in article L 225-186-1 of the Commercial Code, and – call options cannot be exercised by the executive Chairman or Chairmen until after they have left office, unless an amount has been decided regarding a number of shares resulting from the exercise of options they must hold in registered form until after they have left office.	None
Bonus share distribution to employees	14th	38 months *4 June 2013*		in the event that free shares are granted to one or more Executive Chairmen: – the Company must meet one or more of the conditions listed in article L 225-197-6 of the Commercial Code ; and – the allotted shares cannot be sold before the cessation of functions of the executive Chairman/Chairmen in question, unless an amount has been decided regarding such shares that the aforesaid person(s) will have to hold as registered shares until ending his/their functions	None
Combined General Meeting of 4 June 2013					
Share buyback	11th	18 months *4 December 2014*	Ceiling 10% of share capital Maximum purchase price €400 Maximum amount of funds committed €800 million		See page 111
Cancellation of shares purchased (general cancellation programme)	13th	24 months *4 June 2015*	Ceiling 10% of share capital		None
Capital increase by capitalisation of reserves	14th	26 months *4 August 2015*	The face value of the capital increases likely to be carried out immediately and/or in the future pursuant to the present delegation cannot be greater than 20% of the issued capital on the meeting date, with the capital increases carried out pursuant to the present delegation not being applied to the common cap of the delegations granted in resolutions 15, 16 and 17.		None
Issues with pre-emptive subscription rights all securities giving access to equity	15th	26 months *4 August 2015*	The face value of the capital increases likely to be carried out immediately and/or in the future pursuant to the present delegation cannot be greater than 20% of the issued capital, with this ceiling being common to all capital increases carried out pursuant to the delegations granted in the 15th, 16th and 17th resolutions.	The face value of the capital increases likely to be carried out immediately and/or in the future pursuant to the present delegation cannot be greater than 20% of the issued capital, with this ceiling being common to all capital increases carried out pursuant to the delegations granted in the 15th and 16th resolutions.	None
Issues without pre-emptive subscription rights all securities giving access to equity	16th	26 months *4 August 2014*			None

<table>
<tr><th></th><th>Resolution No.</th><th>Term of authorisation Expires [3]</th><th colspan="2">Characteristics</th><th>Used during 2012</th></tr>
<tr><td>Capital increase without pre-emptive subscription right in favour of members of a savings plan</td><td>17th</td><td>26 months
4 August 2015</td><td colspan="2">The face value of the capital increases likely to be carried out immediately and/or in the future pursuant to the present delegation cannot be greater than 1% of the issued capital, with this ceiling being common to all capital increases carried out pursuant to the delegations granted in the 15th, 16th and 17th resolutions.
Discount set at 20% of the average of the listed prices of the Company's shares during the twenty Stock market sessions preceding the day of the decision establishing the subscription opening date.</td><td>None</td></tr>
<tr><td>Options to purchase existing shares</td><td>18th</td><td>38 months
4 August 2016</td><td rowspan="2">The number of call options granted pursuant to resolution 18 and the number of shares allotted at no cost in accordance with resolution 19 cannot represent a number of shares greater than 2% of the total number of shares existing at the time of the allotment, without taking into account the ones granted pursuant to the preceding authorisations</td><td>The Management will set the share purchase price within the limits and pursuant to the provisions of article L 225-177 sub-paragraph 4 of the Commercial code, and it will be at least equal to the average listed prices on the twenty Stock market sessions preceding the option allotment, without being less than 80% of the average purchase price of the shares held.</td><td>None</td></tr>
<tr><td>Bonus share distribution to employees</td><td>19th</td><td>38 months
4 August 2015</td><td>In case of allotment to one or more executive chairmen:
– the Company must meet one or more of the conditions listed in article L 225-197-6 of the Commercial Code ; and
– the allotted shares cannot be sold before the cessation of functions of the executive Chairman/Chairmen in question, or an amount must be decided that the aforesaid person(s) will have to hold as registered shares until ending his/their functions</td><td>None</td></tr>
<tr><td colspan="6">Grants proposed to the Combined General Meeting of 3 June 2014</td></tr>
<tr><td>Share buyback</td><td>14th</td><td>18 months
3 December 2015</td><td colspan="2">Ceiling 10% of share capital
Maximum purchase price €400
Maximum amount of funds committed €800 million</td><td>-</td></tr>
<tr><td>Cancellation of shares purchased (general cancellation programme)</td><td>15th</td><td>24 months
3 June 2016</td><td colspan="2">Ceiling 10% of share capital</td><td>-</td></tr>
</table>

<table>
<tr><th></th><th>Resolution No.</th><th>Term of authorisation Expires [3]</th><th colspan="2">Characteristics</th><th>Used during 2012</th></tr>
<tr><td>Options to purchase existing shares</td><td>16th</td><td>38 months
3 August 2017</td><td rowspan="2"></td><td>The Management will set the share purchase price within the limits and pursuant to the provisions of article L 225-177 sub-paragraph 4 of the Commercial code, and it will be at least equal to the average listed prices on the twenty Stock market sessions preceding the option allotment, without being less than 80% of the average purchase price of the shares held.</td><td>-</td></tr>
<tr><td></td><td></td><td></td><td>In case of allotment to one or more executive chairmen:
– the Company must meet one or more of the conditions listed in article L 225-197-6 of the Commercial Code ; and
– the allotted shares cannot be sold before the cessation of functions of the executive Chairman/Chairmen in question, or an amount must be decided that the aforesaid person(s) will have to hold as registered shares until ending his/their functions</td><td></td></tr>
<tr><td></td><td></td><td></td><td rowspan="2">The number of call options granted pursuant to resolution 16 and the number of shares allotted at no cost in accordance with resolution 17 cannot represent a number of shares greater than 2% of the total number of shares existing at the time of the allotment, without taking into account the ones granted pursuant to the preceding authorisations.</td><td>In the event that free shares are granted to one or more executive Chairmen:
– the Company must meet one or more of the conditions listed in article L 225-197-6 of the Commercial Code ; and
– the allotted shares cannot be sold before the cessation of functions of the executive Chairman/Chairmen in question, or an amount must be decided that the aforesaid person(s) will have to hold as registered shares until ending his/their functions</td><td>–</td></tr>
<tr><td>Bonus share distribution to employees</td><td>17th</td><td>38 months
3 August 2017</td><td>– the granted free shares shall be contingent upon meeting serious and demanding performance criteria over the course of several years, that will be defined at the time of the grant,
– the maximum percentage of free shares that can be granted will be 0.05%, with this cap being applied against 2% cap common to the delegations listed in the 16th and 17th resolutions.</td><td>-</td></tr>
</table>

Proposed resolutions

I. - Ordinary business

First resolution
Approval of the parent company financial statements

The General Meeting, voting under the quorum and majority conditions applicable to ordinary general meetings, having heard the executive Management's report on the Company's operations and situation, the Supervisory Board's report and the Statutory Auditors' report for the year ended 31 December 2013, approves the financial statements, the balance sheet and the notes thereto as presented, as well as the transactions they reflect. The General Meeting duly notes that the expenses and charges covered by Article 39-4 of the General Tax Code amounted to €182,256 in 2013.

Second resolution
Approval of the consolidated financial statements

The General Meeting, voting under the quorum and majority conditions applicable to ordinary general meetings, having heard the executive Management's report on the Group's operations and situation, the Supervisory Board's report and the Statutory Auditors' report for the year ended 31 December 2013, approves the consolidated financial statements as presented to it, as well as the transactions that they reflect.

Third resolution
Discharge of executive Management

The General Meeting, voting under the quorum and majority conditions applicable to ordinary general meetings, gives the executive Management final discharge for its management during the year commencing on 1 January 2013 and ending on 31 December 2013.

Fourth resolution
Appropriation of net income - Dividend Distribution

The General Meeting, voting under the quorum and majority conditions applicable to ordinary general meetings, notes that net income for the year amounted to €544,302,496.73 and retained earnings of €756,110,457.04, and having duly noted that the legal reserve has been reached in totality, approves the appropriation of these sums totalling €1,300,412,953.77 as distributable profits, as proposed by the Supervisory Board:

• to the reserve for purchasing original works of art:	€284,158.00
• to the Active Partner, pursuant to Article 26 of the articles of association:	€3,646,826.73
• to shareholders, an "ordinary" dividend of €2.70 per share, totalling:	€285,037,412.40
• to retained earnings, the balance of:	€1,011,444.556.64
• **total amount appropriated:**	€1,300,412,953.77

The General Meeting resolves that the balance of the ordinary dividend for the financial year (a down payment of €1.50 per share having been paid on 28 March 2014), which amounts to €1.20 which will be detached from the shares on 5 June 2014 and be payable in cash on 10 June 2014 based on closing positions on the evening of 9 June 2014.

As Hermès International is not entitled to receive dividends for shares held in treasury, the corresponding sums will be transferred to retained earnings on the date the dividend becomes payable. In accordance with Article 243 bis of the General Tax Code, it is stipulated that this dividend entitles shareholders who are natural persons and liable for income tax in France to a 40% tax allowance; this entire dividend will be taken into account ipso jure for the determination of their overall income subject to the income tax schedule, and will be eligible for the 40% allowance as provided by Article 158-3 of the General Tax Code.

It is further recalled that, in compliance with article 119 bis of the General Tax Code, the dividend distributed to shareholders not liable for income tax in France is subject to a withholding at the source, at a rate determined according to the country of the shareholder's address for tax purposes.

In accordance with the provisions of Article 47 of Law No. 65-566 of 12 July 1965, the General Meeting duly notes that dividends distributed to the shareholders in respect of the three previous financial years were as follows:

Financial year (in euros)	**2012**	**2011**	**2010**
Ordinary dividend	2.50	2.00	1.50
Exceptional dividend	-	5.00	-
Amount eligible for tax allowance pursuant to Article 158-3 of the GTC	40%	40%	40%

Fifth resolution
Approval of related-party agreements and commitments

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having heard the Statutory Auditors' special report on related-party agreements and commitments covered by the combined provisions of Articles L 226-10 and Articles L 225-38 through L 225-43 of the Commercial code, approves the transactions entered into or performed during the financial year 2013.

Sixth resolution
Re-election of Mr. Éric de Seynes as Supervisory Board member for a term of three years

On the recommendation of the Active Partner, the General Meeting, voting under the quorum and majority conditions applicable to ordinary general meetings, re-elects as a member of the Supervisory board

Mr. Éric de Seynes.

Pursuant to Article 18.2 of the articles of association, his term of office will expire at the end of the Annual General Meeting convened to vote on the financial statements for the year ended 31 December 2016.

Mr. Eric de Seynes has indicated that he is prepared to accept this appointment and that he is not legally prohibited from doing so in any manner whatsoever.

Seventh resolution
Re-election of Mr. Renaud Momméja as Supervisory Board member for a term of three years
On the recommendation of the Active Partner, the General Meeting, voting under the quorum and majority conditions applicable to ordinary general meetings, re-elects as a member of the Supervisory board

Mr. Renaud Momméja.

Pursuant to Article 18.2 of the articles of association, his term of office will expire at the end of the Annual General Meeting convened to vote on the financial statements for the year ended 31 December 2016.
Mr. Renaud Momméja has indicated that he is prepared to accept this appointment and that he is not legally prohibited from doing so in any manner whatsoever.

Eighth resolution
Appointment of Mrs. Monique Cohen as a new Supervisory Board member for a term of three years as replacement for Mr. Maurice de Kervénoaël
On the recommendation of the Active Partner, voting under the quorum and majority conditions applicable to ordinary general meetings, the Annual General Meeting elected as Supervisory Board member for the standard term of office of three years, replacing Mr. Maurice de Kervénoaël who is at the end of his term and who is not seeking a new term,

Mrs. Monique Cohen.

Her term of office will expire at the end of the Annual General Meeting convened to vote on the financial statements for the year ended 31 December 2016. Mrs. Monique Cohen has indicated that she is prepared to accept this appointment and that she is not legally prohibited from doing so in any manner whatsoever.

Ninth resolution
Supervisory board directors' fees and compensation
The General Meeting, voting under the quorum and majority conditions applicable to ordinary general meetings, fixes the total directors' fees and compensation to be allocated to the members of the Supervisory Board and the members of committees created within it at €500,000 for each financial year beginning from 1 January 2014 until it is decided otherwise.

Tenth resolution
Approval of the commitments made to Mr. Axel Dumas regarding the cessation of his duties as Executive Chairman
The General Meeting, voting under the quorum and majority conditions applicable to ordinary general meetings, having heard the Executive Management's report and the statutory auditors' special report on agreements falling under the combined provisions of articles L 226-10, L 225-38 to L 225-43 of the Commercial code, approves, in compliance with the provisions of article L 225- 42-1 of the Commercial code, the aforesaid agreement described in the said report relating to the elements comprising the compensation, indemnities and benefits likely to be paid by the company to Mr. Axel Dumas in in the event that his appointment as Executive Chairman is terminated, according to the terms set down by the Supervisory Board during its meeting on 4 June 2013.

Eleventh resolution

Opinion on the compensation elements owed or allocated as of 5 June 2013 (date of his appointment as Executive Chairman) to 31 December 2013 to Mr. Axel Dumas

The General Meeting, consulted in application of the recommendation in § 24.3 of the AFEP/MEDEF corporate governance code of June 2013, that constitutes the company's reference code in application of article L 225-37 of the Commercial code, voting under the quorum and majority conditions applicable to ordinary general meetings, provides a favourable opinion on the compensation elements owed or allocated, in respect of the year ended 31 December 2013, as of 5 June 2013, date on which he assumed his functions as Executive Chairman, to Mr. Axel Dumas as presented in the description of the reasons for the proposed resolutions.

Twelfth resolution

Opinion on the compensation elements owed or allocated in respect of the year ended 31 December 2013, to the company Émile Hermès SARL

The General Meeting, consulted in application of the recommendation in § 24.3 of the AFEP/MEDEF corporate governance code of June 2013, that constitutes the company's reference code in application of article L 225-37 of the Commercial code, voting under the quorum and majority conditions applicable to ordinary general meetings, provides a favourable opinion on the compensation elements owed or allocated, in respect of the year ended 31 December 2013, as of 5 June 2013, date on which it assumed its functions as Executive Chairman, to the company Émile Hermès SARL as presented in the description of the reasons for the proposed resolutions.

Thirteenth resolution

Opinion on the compensation elements owed or allocated in respect of the year ended 31 December 2013 and from 1 to 31 January 2014 (date of the cessation of his duties as Executive Chairman), to Mr. Patrick Thomas

The General Meeting, consulted in application of the recommendation in § 24.3 of the AFEP/MEDEF corporate governance code of June 2013, that constitutes the company's reference code in application of article L 225-37 of the Commercial code, voting under the quorum and majority conditions applicable to ordinary general meetings, provides a favourable opinion on the compensation elements owed or allocated, in respect of the year ended 31 December 2013 and from 1 to 31 January 2014 (termination date of his functions as Executive Chairman), to Mr. Axel Dumas as presented in the description of the reasons for the proposed resolutions.

Fourteenth resolution

Authorisation to the Executive Management to trade in the Company's shares

The General Meeting, acting under the quorum and majority requirements applicable to ordinary general meetings, having reviewed the executive Management's Report:

• Authorises the executive Management, with the option further to delegate such authority, in accordance with the provisions of Articles L 225-209 et seq. of the Code de Commerce and European Commission Regulation 2273/2003 of 22 December 2003, to arrange for the Company to buy back its own shares, within the limitations stipulated by the applicable laws and regulations, subject to the following restrictions:

- the number of shares held by the Company during the term of the buyback programme shall not exceed 10% of the total number of shares in the Company, at any time; this percentage shall apply to share capital adjusted as a function of transactions that will affect it subsequent to this General Meeting; in accordance with the provisions of Article L 225-209 of the Code de Commerce, the number of shares used as a basis for calculating the 10% limit is the number of shares bought, less the number of shares sold during the term of the authorisation if the shares are purchased to provide liquidity under the conditions defined by the AMF General Regulation; and
- the Company shall not at any time own more than 10% of its own shares;
• resolves that the shares may be bought with a view to:
- ensuring that liquidity is provided for the shares on the equity market by an investment services provider acting entirely independently under a liquidity contract that complies with a code of conduct recognised by the AMF (Financial Markets Authority);
- cancelling the shares, in order to increase the return on equity and earnings per share, and/or to neutralize the dilutive impact of capital increases for shareholders, wherein such purpose is contingent upon adoption of a special resolution by the extraordinary General Meeting;
- retaining the shares, in order subsequently to transfer the shares in payment, in exchange or as other consideration for a takeover bid initiated by the Company, it being specified that the number of shares purchased by the Company in view of retaining them and subsequently delivering them in payment or exchange under the terms of a merger, demerger or partial merger shall not exceed 5% of the share capital;
- allotting the shares to employees and corporate executive officers of the Company or an affiliated company, under the terms and conditions stipulated by law, as part of share purchase option plans (in accordance with Articles L 225-179 et seq. of the Code de Commerce), or free share distributions (in accordance with Articles L 225-197-1 et seq. of the Code de Commerce), or as part of the Company's employee profit sharing schemes or of an employee share ownership or savings plan;
- delivering the shares for the exercise of rights attached to securities entitling the holders to the allotment of shares in the Company, by conversion, exercise, redemption, exchange or by any other means, in accordance with stock market regulations.

This programme would also be intended to enable the Company to trade in its own shares for all other purposes that are or may in the future be authorised by the applicable laws or regulations. In such case, the Company would inform its shareholders by publishing a special notice;

• resolves that, save for shares purchased in order to deliver them under share purchase plans for the Company's employees or corporate executive officers, that the purchase price per share shall be no higher than four hundred euros (€400), excluding incidental expenses;
• Resolves, however, that the executive Management may adjust the aforesaid purchase price in the event of a change in the par value per share; a capital increase by capitalisation of reserves; a free share distribution; a stock split or reverse split; a write-off or reduction of the share capital; distribution of reserves or other assets; and any other transactions applying to shareholders' equity, to take into account the effect of such transactions on the value of the shares;
• resolves that the maximum amount of funds that may be committed to this share buyback programme shall be eight hundred million euros (€800,000,000);

• resolves that the shares may be purchased by any means, including partially or entirely by purchase on the stock market, block purchase, off-market purchase, public offerings to buy or exchange shares, or by the use of options or derivatives (in accordance with the then applicable laws and regulations and excluding the sale of puts), at such times as the executive Management shall deem appropriate, including times of public offerings, in compliance with stock market regulations. The shares acquired pursuant to this authorisation may be retained, sold, or, more generally, transferred by any means, including by block sales and during times of public offerings;
• Confers all powers on the executive Management for the purposes of this authorisation, with the option further to delegate such powers, and in particular:
- to effect all transactions; to determine the terms, conditions and procedures applicable thereto;
- to place all orders, either on or off market;
- to adjust the purchase price of the shares to take into account the effect of the aforesaid transactions on the value of the shares;
- to enter into all agreements, in particular for purposes of maintaining the stock transfer ledgers;
- to file all necessary reports with the Financial Markets Authority and any other relevant authority;
- to undertake all necessary formalities;
• resolves that this authorisation is granted for a period of eighteen months from the date of this Meeting, and that it supersedes the authorisation granted under the eleventh resolution adopted by the Combined General Meeting of 4 June 2013 and cancels the unused portion of that authorisation.

II. - Extraordinary business

Fifteenth resolution
Authorisation to cancel some or all of the shares purchased by the Company (Article L 225-209 of the Commercial code) - General share cancellation programme
The General Meeting, voting under the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the Management Report, the Supervisory Board’s report and the Statutory Auditors’ special report, and in accordance with Article L 225-209 of the Code de Commerce, hereby authorises the executive Management to reduce the share capital by cancelling some or all of the shares acquired by the Company in connection with the share buyback programme covered by the fourteenth resolution submitted to the present Meeting and/or pursuant to any authorisation granted by a past or future general meeting, on one or more occasions, up to a maximum of 10% of the share capital per period of twenty-four months.
The General Meeting delegates to the executive Management full powers for purposes of this authorisation, and in particular:
- to allocate the difference between the purchase price and the par value of the shares to whichever reserve account it sees fit, and to record the reductions in share capital resulting from the cancellations authorised by the present resolution;
- to amend the Company’s articles of association accordingly, and to undertake all necessary formalities.
This authorisation is granted to the executive Management for a period of twenty-four months. It supersedes the authorisation granted under the thirteenth resolution adopted by the Combined General Meeting of 4 June 2013 and cancels the unused portion of that authorisation.

Sixteenth resolution
Authorisation to the Executive Management to grant share purchase options

The General Meeting, acting under the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the Management Report, the Statutory Auditors' special report and the Supervisory Board's report, resolves to authorise the executive Management, in accordance with Articles L 225-177 et seq. of the Code de Commerce, to allot, up to the limits set by the applicable legislation:

- on one or more occasions;
- to all or some employees and corporate executive officers of Hermès International and companies or groups affiliated therewith under the conditions covered by Article L 225-180 of the Code de Commerce, options to buy Hermès International shares that the Company has acquired under statutory conditions.

The executive Management may use this authorisation, at such time or times as it may deem appropriate, for a period of thirty-eight months as from the date of this meeting.

The total number of options that may be granted under this authorisation shall not be such that the total number of options granted pursuant to this resolution and the total number of free shares distributed pursuant to the seventeenth resolution would amount to more than 2% of the total number of ordinary shares in the Company, without consideration for those already allocated by virtue of the previous authorisations.

The options may be exercised by the beneficiaries within a maximum of seven years as from the option grant date.

The purchase price of the shares shall be set by the executive Management, within the limits and in accordance with the conditions stipulated in paragraph 4 of Articles L 225-177 and paragraph 2 of L 225-179 of the Code de Commerce; it shall be equal at least to the average quoted price of the shares on the stock exchange during the last twenty trading days preceding the option grant date, without being less than 80% of the average stock purchase price of the shares held by the Company as purchases carried out under the conditions provided for in articles L.225-208 and L.225-209 of the said Code.

The General Meeting grants the broadest of powers to the executive Management, acting within the limits set forth above, for purposes of this resolution, and in particular:

- to determine the terms and conditions of the transaction, in particular the conditions under which the options will be granted, the time or times at which the options may be allotted and exercised, the list of the beneficiaries of the options and the number of shares that each beneficiary may acquire;
- to determine the conditions for exercising the options;
- to stipulate any lock-up period for the shares resulting from the exercise of the options and/or period during which such shares cannot be converted to bearer shares, it being specified that such lock-up period shall not exceed three years from the option exercise date;
- to provide for the possibility of temporarily suspending the exercise of options for a maximum of three months in the event of a financial transaction entailing the exercise of a right attached to the shares.

In the event that free shares are granted to one or more executive Chairmen:

- resolves that the executive Management shall ascertain that the Company fulfils one or more of the conditions stipulated in Article L 225-186-1 of the Code de Commerce, and shall take every necessary measure in this respect;
- resolves that the Supervisory Board shall ensure that the relevant executive Chairman or Chairmen may not exercise their options until after they have left office, or that it shall set a number of shares resulting from the exercise of options they must hold in registered form until after they have left office;

• resolves that, in accordance with the AFEP/ MEDEF Code of Corporate Governance of June 2013, as applied by the Company:
- the granted options shall be contingent upon meeting serious and demanding performance criteria over the course of several consecutive years, that will be defined at the time of the grant,
- the maximum percentage of options that can be granted to the Executive Chairmen under the present resolution will be 0.05%, with this cap being applied against 2% cap common to the delegations listed in the 16th and 17th resolutions.

If, during the period in which the options were granted, the Company undertakes one of the financial or securities transactions provided by law, in order to take into account the effect of any such transaction, the executive
Management shall adjust the number and price of the shares included in the options granted, each year, the executive Management shall report to the Ordinary General Meeting on the transactions carried out pursuant to this authority.
This authorisation supersedes the authorisation granted under the eighteenth resolution adopted by the Combined General Meeting of 4 June 2013 and cancels the unused portion of that authorisation.

Seventeenth resolution
Authorisation to the Executive Management to grant ordinary shares in the Company for no consideration
The General Meeting, voting under the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the Management Report, the Statutory Auditors' report and the Supervisory Board's report, and in accordance with the provisions of Article L 225-197-1 et seq. of the Code de Commerce:
• Authorises the executive Management to grant bonus shares to some or all employees and/or corporate executive officers of the Company or in affiliated companies or groups under the conditions set out in Article L 225-197-2 of the Code de Commerce, by allotting existing ordinary shares of the Company for no consideration. The existing shares that may be distributed pursuant to this resolution must have been purchased by the Company either in accordance with Article L 225-208 of the Code de Commerce, or as part of the share buyback programme authorised by the fourteenth resolution submitted to this Meeting under the terms of Article L 225-209 of the Code de Commerce or any share buyback programme applicable previously or in the future;
• resolves that the executive Management shall determine the identity of the beneficiaries or the categories of beneficiaries of the free shares as well as the conditions and any criteria applying to distribution of the shares;
• resolves that the executive Management shall determine the dates on which the free shares will be distributed, within the conditions and limitations stipulated by law;
• resolves that the total number of ordinary shares distributed for no consideration under the terms of this authorisation shall not be such that the total number of free shares distributed pursuant to this resolution, and the total number of share purchase options granted by virtue of the sixteenth resolution and not yet exercised, amounts to more than 2% of the total number of ordinary shares in the Company as of the free share allotment date, not including those already conferred under authorisations granted by previous General Meetings;

• resolves that the executive Management shall determine, for each allotment, the vesting period at the end of which the ordinary shares shall be fully vested, wherein this period shall not be less than two years, unless new provisions of the law reducing the minimum vesting period were to be enacted, in which case the executive Management would be authorised to reduce the said vesting period; however, in the event of the beneficiary's death, his or her heirs may request that the shares be distributed within six months after the date of death; furthermore, the shares will be distributed before the end of the vesting period in the event that the beneficiary becomes disabled, providing that such disability is a Category 2 or Category 3 disability as defined by Article L 341-4 of the Social Security code;
• resolves that at the time of each distribution, the executive Management shall fix the period during which the beneficiaries must hold the shares, wherein this holding period shall not be less than two years from the date on which the shares are fully vested, and that the executive Management may waive the said holding period providing that the vesting period indicated in the preceding paragraph is at least four years; however, the shares shall be freely assignable in the event of the beneficiary's death, or should the beneficiary become disabled, providing that such disability is a Category 2 or Category 3 disability as defined by Article L 341-4 of the Social Security Code;
• Authorises the executive Management to determine any applicable conditions and criteria for distribution of the shares, including but not limited to the number of years of service, conditions with respect to maintaining employment or the term of office during the vesting period, and any other financial condition or condition relating to individual or collective performance;
• Authorises the executive Management to record the free shares allotted in a registered account in the name of their owner, showing any lock-up period over the full duration of such period;
• Authorises the executive Management to undertake, during the vesting period of the free shares, any adjustments needed to take into consideration the effect of transactions affecting the Company's share capital and, more specifically, to determine the conditions under which the number of ordinary shares granted will be adjusted;
• more generally, grants the broadest of powers to the executive Management, with the option further to delegate such powers as provided by law, to enter into all agreements, to draw up all documents, to carry out all formalities, and to undertake all filings with all relevant organisations, and, in general, to do all that is necessary. The period during which the executive Management may use this authorisation, on one or more occasions, is thirty-eight months from the date of this meeting.

In the event that free shares are granted to one or more executive Chairmen:
• resolves that the executive Management shall ascertain that the Company fulfils one or more of the conditions stipulated in Article L 225-197-6 of the Code de Commerce, and shall take every necessary measure in this respect;
• resolves that the Supervisory Board shall ascertain that the relevant executive Chairman or Chairmen shall not sell the shares distributed until after they have left office, or shall set a number of such shares that they must retain in registered form until after they have left office;
• resolves that, in accordance with the AFEP/ MEDEF Code of Corporate Governance of June 2013, as applied by the Company:
- the granted free shares shall be contingent upon meeting serious and demanding performance criteria over the course of several consecutive years, that will be defined at the time of the grant,

- the maximum percentage of free shares that can be allocated to the Executive Chairmen under the present resolution will be 0.05%, with this cap being applied against 2% cap common to the delegations listed in the 16th and 17th resolutions.

Each year, the executive Management will report to the General Meeting on the number of shares distributed pursuant to this resolution under the conditions provided by law, and more particularly, by Article L 225-197-4 of the Code de Commerce. This authorisation supersedes the authorisation granted under the nineteenth resolution adopted by the Combined General Meeting of 4 June 2013 and cancels the unused portion of that authorisation.

Eighteenth resolution
Modification of article 18 of the articles of incorporation for the purposes of determining the provisions for the appointment of Supervisory board members representing the employees in compliance with the provisions of the law of 14 June 2013 relative to the safeguarding of employment, and also to include an indication therein of the existence of rules of procedure
The General Meeting, voting under the quorum and majority requirements applicable to extraordinary general meetings, and having heard the Management Report and the Supervisory Board's report, decides to temporarily amend Article 18 of the articles of association in the following way:

"18 - SUPERVISORY BOARD"

- Paragraph 18.1 is now drafted as follows:
"18 .1 - The Company is governed by a Supervisory Board consisting of three to fifteen members (not including the members representing the employees appointed pursuant to the conditions of article 18.6 below), selected from amongst shareholders who are not Active Partners, legal representatives of an Active Partner, or executive Chairmen."

- The following two paragraphs are added, as drafted below:
"18.6 - When the provisions of article L 225-79-2 of the Commercial code are applicable to the company, a natural person member representing the Group's employees must be assigned. When the Supervisory Board consists of 13 members and more (not including the employee representatives), a second natural person member representing the Group's employees must be appointed. The number of Supervisory Board members taken into account when determining the number of Supervisory Board members representing the employees is assessed on the date of the appointment of the employee representatives to the Board. Neither the Supervisory Board members elected by the employees under article L 225-27 of the Commercial code, nor the employee shareholder Supervisory Board members appointed in accordance with article L 225-23 of the Commercial code are therefore taken into account.
Like the other Supervisory Board members, the term of the Supervisory Board members representing the employees will be as indicated in article 18.2 of the present articles of association.
A reduction to twelve or fewer than twelve Supervisory Board members will have no effect on the term of all Supervisory Board members representing the employees, that will come to an end upon its normal expiry.

The Supervisory Board members representing the employees are appointed by the company's group committee. The Supervisory Board members representing the employees must, at least two years beforehand, have signed an employment contract with the company or one of its direct or indirect subsidiaries having its registered office in France or abroad. Notwithstanding the rule contained in article 18.1 of the present articles of association, the Supervisory Board members representing the Group's employees are not required to be shareholders.

18.7 - Every Supervisory Board member must comply with the Supervisory Board rules of procedure."

Nineteenth resolution
Powers
The General Meeting confers full powers on any bearer of an extract or copy of these minutes recording its deliberations to carry out all legal publication or other formalities.

Brief statement of the company's position throughout the elapsed financial year

Strong growth of sales and earnings
The 2013 turnover of the Hermès group, now at €3,755 million, grew by 8% with current exchange rates, and 13% with constant rates. The operating results of €1,218 million increased by 9%.

Business per geographical zone and trade
(data with comparable exchange rates unless indicated otherwise)
The annual turnover generated in the group's stores rose by 13%. Hermès continued the qualitative development of its distribution network by inaugurating two new branches in Ningbo, China, and in Nagoya Mitsukoshi, Japan. In the United States, the Beverly Hills store was enlarged and successfully renovated. In Milan, Hermès relocated to a new high quality location in the famous via Montenapoleone.

All geographical zones contributed to the growth
Asia excluding Japan (+16%) and America (+14%) were particularly dynamic. Europe (+12%) saw sustained activity in all of the countries, despite a difficult economic context. Japan (+7%) posted a very good performance.

All trades are developing thanks to ambitious creations
Leather goods-saddlery (+9%), for which the demand remains very strong, continues to enhance its collections and to develop its production capacities, particularly with the ramp-up of two plants opened in 2012, in Isère and Charente, and the project to create two new establishments in the Franche-Comté region.
The Ready-to-wear & Accessories division (+18%) is benefiting from the dynamism of fashion accessories and from the latest ready-to-wear collections that promoted this year's topic "Chic, le sport!". The Silk & Textiles trade (+12%) posted a fine performance thanks to an offer that was enhanced with new materials and formats.
Perfumes (+15%) confirmed their excellent momentum in 2013. The new women's perfume *Jour d'Hermès* received an excellent welcome, while *Terre d'Hermès* is continuing to grow and is asserting itself as a great classic in men's fragrances.
After an exceptional 2012, Watches (+1%) were affected by the slowdown seen in the Chinese market.
The other Hermès trades (+37%) improved remarkably. Jewellery is making a strong contribution to this momentum thanks to the latest gold collections.

The operational profitability (32.4%) is higher than the historical high reached in 2012.
The operating results increased by 9% to €1,218 million versus €1,119 million in 2012. The operational profitability (32% of sales) improved by 0.3 points relative to 2012.
After taking into account the greater weight of taxation, notably in France, the group share of consolidated net earnings increased by 7%, and now stands at €790 million.
The operating cash flow is equal to €1,016 million, an increase of 15%. This increase, faster than that of the net income, results from the greater weighting in 2013 of the expenses having no incidence on the cash (fair value adjustment of the hedge instruments and posting of the free share plans).
After financing all of the operational and financial investments (€232 million), the dividend distribution (€260 million) and the working capital needs (€119 million), the net cash

increased significantly to €1,022 million as on 31 December 2013 versus €686 million as on 31 December 2012.
In 2013, Hermès International bought back 10,746 shares for €3 million, outside of the liquidity contract.

Personnel increase
The Hermès group created more than 900 new jobs, including more than 500 in France, primarily in the production units and sales teams. At the end of 2013, the group had 11,037 employees, including 6,631 in France.

2014 prospects
Hermès will continue its long-term strategy based on creativity, control of the know-how, development of its distribution network, strengthening of its production capacity and safeguarding of its procurements.
In 2014, our house will be devoted to the theme of metamorphosis, namely that of the precious materials that become works of art in the skilled hands of craftsmen. It is the desire of our house to reinvent itself in order to further drive the limits of excellence.

Five-year summary of the Company's financial data

	2013	2012	2011	2010	2009
Share capital at year-end					
Share capital (in millions of euros)	53.8	53.8	53.8	53.8	53.8
Number of shares outstanding	105,569,412	105,569,412	105,569,412	105,569,412	105,569,412
Aggregate results of operations (in millions of euros)					
Revenue excluding VAT	189.9	155.2	126.7	90.9	67.0
Income before tax, employee profit-sharing, depreciation, amortisation, provisions, and impairment	626.2	593.6	462.9	344.1	261.3
Corporate income tax (income)	(8.7)	(1.1)	(14.0)	(6.1)	(16.5)
Employee profit-sharing (expense)	4.1	4.2	3.2	3.1	2.6
Income after tax, employee profit-sharing, depreciation, amortisation, provisions, and impairment	544.3	542.9	481.6	325.2	243.2
Profits distributed as dividends (including treasury shares)	288.7 (1)	267.6	742.2	160.5	112.5
Earnings per share (in euros)					
Income after tax and employee profit-sharing but before depreciation, amortisation, provisions and impairment	5.98	5.59	4.49	3.29	2.61
Income after tax, employee profit-sharing, depreciation, amortisation, provisions, and impairment	5.16	5.14	4.56	3.08	2.30
Net dividend paid per share	2.7 (1)	2.5	7.0	1.5	1.05
Personnel					
Average number of employees	331	306	282	260	254
Total payroll (in millions of euros)	38.1	38.5	29.1	25.3	26.7
Employee benefits paid during the year (in millions of euros)	65.1	55.7	42.3	28.3	20.4

(1) Subject to approval by the Ordinary General Meeting of 3 June 2004. A proposal will be made for a dividend of €2.70, for which an interim dividend of €1.50 was paid on 28 February 2014.

Main consolidated data consolidées

In millions of euros	2013	2012	2011	2010	2009
Revenue	**3,754.8**	3,484.1	2,841.2	2,400.8	1,914.3
Recurring operating income	**1,218.0**	1,118.6	885.2	668.2	462.9
Operating income	**1,218.0**	1,118.6	885.2	668.2	462.9
Net income attributable to owners of the parent	**790.3**	739.9	594.3	421.7	288.8
Operating cash flows	**1,015.9**	884.8	722.8	571.5	401.1
Investments (excluding financial investments)	**232.4**	370.0	214.4	153.8	207.3
Equity attributable to owners of the parent (1)	**2,344.4**	2,344.4	2,312.8	2,150.3	1,789.9
Net cash position	**1,022.0**	686.1	1,038.3	828.5	507.6
Restated net cash (2)	**1,091.0**	721.0	1,044.2	950.1	576.4
Created economic value (3)	**679.1**	628.5	463.8	332.7	191.6
Return on capital employed (ROCE) (4)	**41%**	46%	42%	32%	21%
Employees (number of people)	**11,037**	10,118	9,081	8,366	8,057

(1) Corresponds with the shareholders equity excluding the share of the non-controlled equity interests.
(2) The restated net cash includes the non-liquid financial investments and loans.
(3) Corresponds with the difference between the adjusted operating income, net of operational taxes, and the average weighted cost of the capital employed (locked-in funds in net value and working capital needs).
(4) Corresponds with the adjusted operating income, net of operational taxes, over the average amount of the capital employed.

Statutory auditors' special report on related-party agreements and commitments

In our capacity as Statutory auditors for your Company, we present to you our report on related-party agreements and commitments.

It is our responsibility to provide you, on the basis of the information provided to us, with the characteristics and essential provisions of the agreements and commitments of which we have been informed or that we may have discovered during our mission, without having to express an opinion as to their usefulness or merit, or to seek out the existence of other agreements and commitments.
It is up to you, according to the terms of article R.226-2 of the Commercial code, to assess the importance of signing these contracts and commitments with a view to approving them.
It is also our responsibility, where applicable, to further provide you with the information indicated in article R.226-2 of the Commercial code relative to the execution, during the elapsed fiscal year, of agreements and commitments already approved by the general meeting.

We have implemented the due diligence reviews that we considered necessary in view of the professional doctrine of the Compagnie nationale des commissaires aux comptes relative to this mission. These due diligence reviews require a verification that the information provided to us is in accordance with the underlying documents from which it is produced.

I. Agreements and commitments submitted for the approval of the general meeting

Agreements and commitments authorised during the elapsed fiscal year

Pursuant to article L.226-10 of the Commercial code, we have been advised of the following agreements and commitments subject to prior authorisation by your Supervisory board.

a) Surety and guarantee given
Persons involved: subsidiary companies of Hermès International, more than 50% directly or indirectly held.
Nature, purpose and provisions: on 22 January 2013, your Supervisory Board authorised the renewal of the authorisation of the Executive Management to grant endorsements, sureties and guarantees in favour of subsidiaries in which your company directly or indirectly holds more than 50% of the issued capital in 2013, provided that their total does not exceed €10 million, with each commitment not being more than €3 million.
No surety or guarantee granted within the framework of this authorisation was updated during the 2013 financial year.

b) Commitments for the benefit of a corporate officer

Person in question: Mr. Axel Dumas, co-Executive Chairman of Hermès International.
Nature, purpose and provisions: on 4 June 2013, your Supervisory Board took note of the information regarding the compensation of Axel Dumas after his appointment as co-Executive Chairman:

• *supplementary retirement plan:* Mr. Axel Dumas will be eligible for the additional retirement plan set up in 1991 for the benefit of the company's senior managers. Under this scheme, an annual pension is paid which is calculated on the basis of years of service and annual compensation. The payments amount to a percentage of compensation for each year of service. The benefit from this additional retirement plan is capped at 8 times the social security ceiling.
Mr. Axel Dumas will also be entitled to the defined contribution supplementary retirement plan set up for the benefit of all employees of the Group's French companies;
• *commitment in case of termination of his appointment* the Company has agreed to pay Mr. Axel Dumas an amount equal to 24 months of compensation (sum of compensation as authorised by the articles of association and supplemental compensation) in the event that his appointment as Executive Chairman is terminated. This commitment is contingent upon the realisation of the following performance conditions: achieving budget targets in at least four out of the five previous years (with revenue and operating profit growth measured at constant rates), without deterioration in the Hermès brand and corporate image.
The payment of this severance pay will be contingent upon termination of the appointment as Executive Chairman resulting:
- either from a decision of the Executive Chairman by reason of a change of control over the Company, a change in the Executive Manager 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;
• *employment agreement:* in order to totally comply with the AFEP/MEDEF corporate governance code, on 5 July 2013 Mr. Patrick Thomas decided, with immediate effect, to waive his employment contract at the time of his appointment as the Executive Chairman of Hermès International.

c) Non-competition commitment
Person in question: Mr. Patrick Thomas, co-Executive Chairman of Hermès International.
Nature, purpose and provisions: on 20 November 2013, your Supervisory Board authorised the signing of a non-competition commitment. Indeed, the Board considered that it was necessary to protect the Company's legitimate interests while respecting its situation, and therefore considered that it was in the Group's interests for Mr. Patrick Thomas not to accept, after his departure from the Group, assignments or duties (even non-executive) in companies likely to compete with the Hermès Group.
The provisions of this commitment are presented below: For a period of 10 years, Mr. Patrick Thomas undertakes not to carry out, whether personally or on behalf of third parties, any activity that competes with that of the Hermès International group, and notably not to collaborate, in any capacity whatsoever and in any form whatsoever, on behalf of a company in the luxury sector that is active in the following geographical zone: Europe and Asia.
This non-competition commitment took effect as of the departure from the Group of Mr. Patrick Thomas and is compensated in the amount of €966,300 per year for 4 years, on 1 February 2014, 2015, 2016 and 2017.

Agreements and commitments authorised since the closing of the elapsed fiscal year

Person in question: Mr. Axel Dumas, co-Executive Chairman of Hermès International.
Nature, purpose and provisions: on 19 March 2014, your Supervisory Board authorised the continuation, for Mr. Axel Dumas, of the collective benefits regarding health expenses and the provident fund in effect within the company for the employees and corporate officers, in compliance with the eligible panels.

II. Agreements and commitments already approved by the General meeting

Agreements and commitments approved during previous fiscal years, the execution of which continued during the elapsed fiscal year

In application of article R 226-2 of the Commercial code, we have been informed that the execution of the following agreements and commitments, already approved by the general meeting during previous financial years, continued during the elapsed financial year.

a) Sureties in favour of Hermès Japan

Person in question: Hermès International, shareholder with more than 10% of Hermès Japan.
Nature, purpose and provisions: in its meetings on 25 May 1998 and 23 March 1999, your Board of directors authorised:

- a surety granted in favour of your subsidiary Hermès Japan within the framework of a loan granted by the Japan Development Bank in an initial amount of 5,000,000,000 yens, repayable by 20 May 2013. During the 2013 financial year, a commission was invoiced for 187,153 yens (€1,791);
- a surety granted in favour of your subsidiary Hermès Japan within the framework of a loan granted by the Japan Development Bank in an initial amount of 2,500,000,000 yens, repayable by 20 April 2013. During the 2013 financial year, a commission was invoiced for 76,389 yens (€731).

The above sureties were not updated during the 2013 financial year.

b) Service providing agreement signed with Émile Hermès SARL

Person in question: Émile Hermès SARL, co-Executive Chairman of Hermès International.
Nature, purpose and provisions: During its meetings on 23 March 2005, 14 September 2005 and 11 December 2007, your Supervisory Board decided on a service agreement that was signed between your company and the company Émile Hermès SARL, relative to missions involving legal and financial aspects. On 11 December 2007, your Supervisory Board authorised the signing of an amendment to this agreement in order to add a secretariat mission. In its meetings on 25 January 2012 and 30 August 2012, your Supervisory Board authorised the signing of two amendments to this agreement in order to modify the price of the secretariat mission and to add an exceptional mission relative to the follow-up of the shareholder base. For the 2013 financial year, the invoicing for these missions was equal to €281,280.

c) Design mission contract with the company RDAI

Person in question: Sandrine Brekke, associate of RDAI with more than 10% and member of the Executive Management of Émile Hermès SARL, co-Executive Chairman.
Nature, purpose and provisions: in its meetings on 20 March 2003 and 15 September 2004, your Supervisory board authorised a contract and its amendment between your company and the RDAI Firm regarding a design mission for the application of the architectural concept to the Hermès shops. For the 2013 financial year, the fees were equal to €19,806.

d) Brand licensing contract
Persons involved:
- Hermès International, direct or indirect shareholder with more than 10% of the licensed companies
- For the Comptoir Nouveau de la Parfumerie: Mr. Maurice de Kervénoaël Supervisory board member of Hermès International and board member of the Comptoir Nouveau de la Parfumerie;
- For Hermès Sellier: Mr. Éric de Seynes and Mr. Blaise Guerrand, Supervisory Board members of Hermès International and members of the Management board of Hermès Sellier;
- For Hermès Horizons: Mr. Axel Dumas, co-Executive Chairman of Hermès International and board member of Hermès Horizons;
- For La Montre Hermès: Mr. Patrick Thomas, co-Executive Chairman of Hermès International and board member of La Montre Hermès;
- For Faubourg Italia: Mr. Patrick Thomas, co-Executive Chairman of Hermès International and board member of Faubourg Italia.

Nature, purpose and provisions: amendments to the brand licensing contracts were signed in 2011 between your company and Hermès Sellier, Hermès Horizons, Comptoir Nouveau de la Parfumerie, La Montre Hermès and Compagnie des Arts de la Table et de l'Émail, and in 2012 with Faubourg Italia. These amendments to the licensing contracts replaced the licensing contracts signed on 5 April 1996 as amended or extended by amendments authorised during meetings of your Supervisory board on 26 March 1996, 23 September 1998, 20 March 2003, 26 January 2011, 30 August 2011 and 27 June 2012.
The current licensing contracts provide for the following durations and fees:

Company	Duration	Amount of the fees for financial year 2013
Hermès Sellier	10 years as of 1 January 2007	€79,099,702
Hermès Horizons	10 years as of 1 January 2008	€83,926
Comptoir Nouveau de la Parfumerie	10 years as of 1 January 2007	€9,712,358
La Montre Hermès	10 years as of 1 October 2006	€4,529,038
Faubourg Italia	10 years as of 18 February 2011	€83,497
Compagnie des Arts de la Table	10 years as of 22 December 2006	€593,232

e) Compensation of the members of specialised committees
Persons involved:
- Mr. Maurice de Kervénoaël;
- Mr. Charles-Éric Bauer;
- Mr. Robert Peugeot;
- Mr. Renaud Mommeja;
- Mr. Ernest-Antoine Seillière;
- Mrs. Dominique Sénéquier;
- Mr. Matthieu Dumas;
- Mrs. Florence Woerth.

Nature, purpose and provisions: as decided by your Supervisory Board on 26 January 2005, 2 June 2005 and 24 March 2010, the annual compensation of the chairmen of the Audit committee and of the Compensation, appointments and governance committee has been fixed at €20,000, and €10,000 for the other members. For the 2013 financial year, the total amount allocated by your company relative to their functions is equal to €100,000 for all committee members.

f) Commitments for the benefit of a corporate officer

Person in question: Mr. Patrick Thomas, co-Executive Chairman of Hermès International.

Nature, purpose and provisions:

• *supplementary retirement plan*: by decision of your Supervisory Board on 21 March 2013, your company decided to set a cap of 8 times the annual social security ceiling for the benefits paid under the supplementary retirement plan set up in 1991 for the benefit of the company's directors, including the corporate officer Executive Chairman.

On 13 September 2006, your Board had authorised the signing of an amendment to the regulations for this supplementary retirement plan. The main modifications related to the scope, potential beneficiaries, conditions for the delivery of the services and the guarantees provided by the plan. This benefit consists of an annual pension that is calculated on the basis of years of service and annual compensation. The payments amount to a percentage of compensation for each year of service. Moreover, the natural person Executive Chairman also benefited, like all the other employees of the Group's French companies, from a supplementary defined contribution retirement plan set up in 2006. Mr. Patrick Thomas was able to take advantage of this plan at the time of his retirement on 31 January 2014;

• *general provident fund plan:* Mr. Patrick Thomas has been entitled to the collective benefits regarding health expenses and the provident fund in effect within the company for the employees and corporate officers (in compliance with the eligible panels).

The benefit of this plan ended with the end of his term of office, on 31 January 2014;

• *commitment in case of termination of his appointment:* Mr. Patrick Thomas submitted his resignation effective 31 January 2014, in view of his retirement. Accordingly, in compliance with the decisions of your Supervisory Board on 19 March 2008 and 18 March 2009, the cessation of the duties as Executive Chairman resulting from this resignation created no entitlement to the payment of the compensation for termination of the duties of the Executive Chairman decided by your Board.

g) Employment contract of a Supervisory board member

Person in question: Mrs. Julie Guerrand.

Nature, purpose and provisions: Since 7 March 2011, Mrs. Julie Guerrand has had an employment contract within the framework of her function as the Director Corporate Development. This agreement received the prior authorisation of your Supervisory Board during its meeting on 3 March 2011.

Downgraded agreements approved during previous financial years

a) Sureties and guarantees given

On 22 January 2014, your Supervisory Board decided to downgrade the following agreements relating to charity or guarantee commitments provided by Hermès International:

- an "umbrella" commitment for a maximum principal amount of €100 million in favour of the BNP Paribas bank in order to guarantee the operational credit lines of the Hermès International subsidiaries;
- an "umbrella" surety for a maximum principal amount of €75 million in favour of the HSBC in order to allow the subsidiaries designated by your company to benefit from a group overall banking facility;
- a surety granted in favour of Hermès GB Ltd, to London & Provincial Shop Centres in relation to the leasing of a store located at 179/180 Sloane Street, London, relative to the correct performance by Hermès GB Ltd of all of its obligations as lessee;
- a surety granted in favour of Hermès of Paris Inc., to 693, Madison Avenue Company L.P. in relation to the leasing of a store located at 691-693-695 Madison Avenue in New York, relative to the correct performance by Hermès of Paris Inc. of all of its obligations as lessee;
- a surety granted in favour of Hermès of Paris Inc., to 680, Carlton House Inc., in relation to the leasing of the John Lobb store located at 680 Madison Avenue in New York, relative to the correct performance by Hermès of Paris Inc. of all of its obligations as lessee;
- a surety for the benefit of Hermès Cuirs Précieux relative to the correct fulfilment by Hermès Cuirs Précieux of all of its contractual obligations;
- a joint and several surety granted in favour of John Lobb to Floris Estate, in relation to the renewal of the lease of the John Lobb shop in Jermyn Street, London, for ten additional years for a maximum of £700,000 plus VAT (i.e. the equivalent of 5 years of rent), for the entire lease duration (until 9 March 2022), relative to the correct fulfilment by John Lobb of all of its obligations as lessee;
- a surety granted in favour of Hermès of Paris Inc. to 23 Wall Commercial Owners LLC relative to the commitments assumed with regard to the leasing of commercial premises located on the ground floor of 15 Broad Street in New York;
- a joint, several and indefinite guarantee in favour of the company The Streets of Buckhead Development & Co pursuant to the commitments assumed by JL & Co relative to a project for a 10 year lease of premises for a shop in Atlanta (Georgia, United States);
- a joint and several guarantee or at first request in favour of the company South Coast Plaza, relative to the commitments assumed by JL & Co in relation with the leasing of premises for a shop located in the South Coast Plaza shopping centre (California, United States), for a period of 10 years as of 1 May 2007;
- a joint and several guarantee in favour of Mrs. Maria del Carmen Ordonez de Briozzo relative to the commitments assumed by Hermès Argentina after the transfer to the latter of the lease contract to the premises of the Hermès shop in Buenos Aires for a period of 10 years;
- the surety for the benefit of the company Furla France relative to the leasing of a store located at 85, rue des Saints-Pères, Paris (75006), and relating to the correct fulfilment by the company Hermès Sellier (Shang Xia division) of all of its obligations as lessee, for maximum amount equal to one year of rent before taxes.

The above sureties and guarantees given were not updated during the 2013 financial year.

b) Agreement signed within the framework of a joint venture

On 22 January 2014, your Supervisory Board decided to downgrade the following agreements, signed by your company or Faubourg Italia relative to the joint-venture created between your company and Dédar, as part of on-going agreements:

- service contract between Dédar and Faubourg Italia;
- design and model licence contract between Hermès Sellier and Faubourg Italia;
- exclusive distribution contract between Faubourg Italia and Dédar;
- exclusive distribution contract between Hermès Sellier and Faubourg Italia.

Drafted in Neuilly-sur-Seine and Paris, on 31 March 2014
The Statutory Auditors

PricewaterhouseCoopers Audit
Christine Bouvry

Didier Kling & Associés
Christophe Bonte

As of the meeting invitation and until the fifth day prior to the meeting, i.e. until Thursday 29 May 2014, any shareholder can ask to be sent additional documents and legal information.

Should you wish to receive these documents, please return this form to us at the following address: BNP PARIBAS Securities Services, CTS - Services des Assemblées, Grands Moulins de Pantin, 93761 Pantin Cedex that will provide you with these documents, except any that are appended to the meeting invitation.

We hereby inform you that, provided that your shares are registered, you can receive these documents for each subsequent meeting without the need to submit a new request.

REQUEST FOR THE MAILING OF DOCUMENTS AND LEGAL INFORMATION
Combined general meeting on 3 June 2014

I the undersigned
Surname ....
First name ....
Address ....
....
owner of:.. registered share(s)
.... bearer share(s) registered in an account held by ....[(1)]
□ request the mailing, to the above address,
of the documents or information indicated in Commercial code articles R 225-81 and R 225-83.
Signed in .... , on 2014
(1) An account registration certificate must be enclosed.

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REQUEST FOR THE MAILING OF THE ANNUAL REPORT
Combined general meeting on 3 June 2014

I the undersigned
Surname ....
First name ....
Address ....
....
request the mailing, to the above address,
□ of the 2013 annual report - Volume 1 (Group Presentation - Activity report)
and/or □ of the 2013 annual report - Volume 2 (Other information from the reference document, consolidated and corporate financial statements) on ordinary paper
□ in French □ in English
Should you wish to receive these documents, please return this form to us at the following address: BNP PARIBAS Securities Services, CTS - Services des Assemblées, Grands Moulins de Pantin, 93761 Pantin Cedex that will provide you with these documents, except any that are appended to the meeting invitation.

Signed in .... , on 2014