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# HERMÈS



Notice of meeting  
General Meeting of 2 June 2015

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**You would like to attend the meeting:** tick box A, date and sign the form in the box at the bottom.

**You will not be attending the meeting:** tick box B and select one of the 3 possibilities provided below.

**To vote by post:** tick the box, date and sign the form in the box at the bottom.

**To provide a proxy to the Meeting's Chairman:** date and sign the form in the box at the bottom.

**To provide a proxy** to your spouse or another shareholder: tick box A, fill in the complete name and address of this person, date and sign the form in the box at the bottom.

Dear Sir / Madam,

The shareholders of the Hermès International company are invited to the ordinary and extraordinary Combined general meeting that will be held on

**Tuesday 2 June 2015  
at 10 AM (reception open as of 8:30 AM)**

at the Palais des Congrès, Grand Amphithéâtre, 2 avenue de la Porte-Maillot in Paris (17th), in order to vote on 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 voting remotely, by mail or by Internet. Below you will find information and recommendations regarding each of the means for participating in the Meeting.

As the session starts at exactly 10 AM, we recommend that you arrive early (as of 8:30 AM) 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 2 June 2015 (volumes 1 and 2 of the annual report, as well as the present meeting notice) are available for consultation and download from the site <http://finance.hermes.com>. To receive a paper version, please refer to page 61.

It will be our pleasure to welcome you amongst the participants in this General meeting.  
Sincerely,

The 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 registration of their shares in their names (or that of the intermediary listed on their behalf if their residence is not in France) by midnight (00:00), Paris time, on the second business day (= Market days) prior to the Meeting, i.e. Friday 29 May 2015 at midnight [*record date*]:

- 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” in the upper left 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.

**IMPORTANT – NEW IN 2015 (ARTICLE R 225-85 OF THE COMMERCIAL CODE AMENDED BY DECREE N° 2014-1466 OF 8 DECEMBER 2014): the participation certificate must confirm the registration of the shareholder's shares on the second business day prior to the Meeting at midnight (Paris time) (and no longer an “accounting entry” on D-3).**

- 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” in the upper left, 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’M USING 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’m GRANTING A PROXY TO” while providing all information regarding the identity and address of the person, then date and sign 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 shall 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. by midnight (00:00) on Friday 29 May 2015.

## **Proxy by Internet**

### **• Direct 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.

### **• 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 abovementioned 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 3 PM (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’M USING 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’M VOTING 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 shall 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. by midnight (00:00) on Friday 29 May 2015.

### **Vote by Internet before the Meeting**

You 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 Internet site indicated above, by using the identifier number and password that have been provided to you.

You can request a password by mail by contacting the Gisproxy site and using the identifier located in the upper right 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 an identifier 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 as of 12 May 2015. The possibilities for voting by Internet before the Meeting will be interrupted at 3 PM (Paris time) on the day before the Meeting, i.e. Monday 1 June 2015.

**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 registered letter with acknowledgement of receipt, at the latest by the fourth business day prior to the date of the General meeting. They must be accompanied by an account registration certificate.



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**Information on the people whose re-election and/or appointment is submitted to the Combined general meeting for approval**

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**MATTHIEU DUMAS**

A direct descendant of Mr. Emile-Maurice Hermès, Matthieu Dumas has been a member of the Supervisory Board and of the Compensation, Appointments and Governance Committee since 3 June 2008.

**Date of appointment to the Board**

3 June 2008

**Term of office expires**

2015 GM

**Age in 2015**

43 years of age

**Nationality**

French

**Shares held in Hermès International**

Legal owner of 213 shares as at 31 December 2014, 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 COMPENSATION, APPOINTMENTS AND GOVERNANCE COMMITTEE OF HERMÈS INTERNATIONAL****Additional professional experience**

He holds a Master of Law degree from Université Paris II-Assas and a Master of Management degree majoring in strategic marketing, development and corporate communication from the Institut Supérieur de Gestion. From 2001 to 2003, he served as Head of Promotion and Partnerships at Cuisine TV (Canal+ Group), then as Marketing and Business Development Director from 2003 to 2006. In 2008, he served as Head of Brands at 13e Rue, NBC Universal Group, then as Deputy Managing Director for all PureScreens brands in 2010, then marketing and communication director for the Discovery Channel in France in 2011.

**Offices and positions held during 2014**

Company name		Country	Office
Hermès International	H ♦	France	Member of the Supervisory Board and of the Compensation, Appointments and Governance Committee
Comptoir Nouveau de la Parfumerie	H C	France	Director
Eaque		France	Executive Chairman
L.D.M.D.		France	Executive Chairman
ASOPE		France	Executive Chairman
AXAM 2		France	Executive Chairman
MATHEL		France	Executive Chairman
H2		France	Director

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 2014**

Marketing and Business Development Director at Cuisine TV, Canal + Group (France), Head of Brands at 13e Rue, NBC Universal Group (France), Deputy Managing Director at PureScreens), manager of AXAM (France), Marketing and Communication Director of Discovery Networks (France).

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**BLAISE GUERRAND**

Blaise Guerrand is a direct descendent of Mr. Emile-Maurice Hermès. He has been a Supervisory Board member since 29 May 2012.

**Date of appointment to the Board**

29 May 2012

**Term of office expires**

2015 GM

**Age in 2015**

32 years of age

**Nationality**

French

**Shares held in Hermès International**

Legal owner of 200 shares as at 31 December 2014, all of which are registered.

**Address**

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

**SUPERVISORY BOARD MEMBER OF HERMES INTERNATIONAL****Expertise and additional professional experience**

Blaise Guerrand is a graduate of HEC Paris. He began his career as an analyst within the Equity capital markets department of the NM Rothschild & Sons bank in London, between 2005 and 2006. From 2007 to 2010, he was an Associate and then director of equity interests for the Indian subsidiary of Ashmore Investment Management, one of the worldwide leaders in investments in emerging countries, with more than \$75 billion under management and listed on the London Stock Exchange. Since 2011, he has been the asset management director of Avest Capital, based in London and Bombay. Since 2007, he has also been the Director of the ACCESS Health International foundation that, in partnership with the Rockefeller Foundation, works to improve access to healthcare for the underprivileged classes in certain developing countries.

**Offices and positions held during 2014**

Company name		Country	Office
Hermès International	H ♦	France	Supervisory Board Member
Hermès Sellier	H	France	Member of the Management Board
SCI Sèvres SCIFAH		France	Executive Chairman
Jakyval		Luxembourg	Director
ACCESS Health International		United States	Director
Avest Capital		Mauritius	Asset management director

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 2014 Director of equity interests of Ashmore Investment Advisors India (India), Vice-Chairman for development for Haseltine Global Health (USA) and Director of Dravor (United Kingdom).

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**ROBERT PEUGEOT**

Mr Robert Peugeot is not related to the Hermès family and is deemed to be an independent director based on the criteria adopted by the Company. He has been a member of the Supervisory Board of Hermès International since 24 January 2007. Since 3 June 2008, he has also served on the Audit Committee and on the Compensation, Appointments and Governance Committee.

**Date of appointment to the Board**

24 January 2007

**Term of office expires**

2015 GM

**Age in 2015**

65 years

**Nationality**

French

**Shares held in Hermès International**

Legal owner of 200 shares as at 31 December 2014, all of which are registered

**Address**

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

**MEMBER OF THE SUPERVISORY BOARD, OF THE AUDIT COMMITTEE AND OF THE COMPENSATION, APPOINTMENTS AND GOVERNANCE COMMITTEE OF HERMÈS INTERNATIONAL****Expertise and additional professional experience**

After his studies at the Ecole centrale de Paris and the INSEAD, Robert Peugeot held various positions of responsibility within the PSA Peugeot Citroën Group and was a member of the Group's executive committee between 1998 and 2007, in charge of the innovation and quality functions. He is the permanent representative of FFP on the Supervisory board of Peugeot SA, a member of the Finance and audit committee and he chairs its Strategic committee. He has directed the development of FFP since late 2002.

**Offices and positions held during 2014**

Company name		Country	Office
Hermès International	H ♦	France	Member of the Supervisory Board, of the Audit committee and of the Compensation, Appointments and Governance Committee
CHP Gestion		France	Executive Chairman
DKSH	♦	Switzerland	Director
Etablissements Peugeot Frères-EPF	C	France	Director
Faurecia	♦	France	Director
Financière Giraud SAS		France	Permanent Representative of FFP, Supervisory Board member

Imerys	◆ C	France	Director
PSA Peugeot Citroën (Peugeot SA)	◆	France	Permanent Representative of FFP, Supervisory Board member
SCI Rodom		France	Executive Chairman
FFP	◆	France	Chairman and Chief Executive Officer
Sofina	◆	Belgium	Director
Zodiac Aérospatiale	◆ C	France	Permanent Representative of FFP Invest, Supervisory Board member (until 16/07/2014)
FFP Invest		France	Permanent Representative of FFP Invest, Chairman
Holding Reinier		France	Director
IDI EM		Luxembourg	Permanent Representative of FFP Invest to the Supervisory Board

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 2014**

Director of Alpine Holding (Austria), Director of B-1998, SL (Spain), Director of FCC Construcción, SA (Spain), Director of Fomentos de Construcciones y Contratas, SA (Spain), Director of Immeubles and Participations de l'Est (France), Director of LFPF - La Française de Participations Financières (France), Chairman and Chief Executive Officer of Simante S.L. (Spain), Director of WRG – Waste Recycling Group Ltd (United Kingdom), Supervisory Board member of Peugeot SA, Supervisory Board member of IDI EM, Director of Sanef, Permanent representative of FFP Invest on the Supervisory Board of Peugeot SA.

Robert Peugeot holds 7 other terms of office in listed companies, but 5 of these terms of office are held as a result of being the chairman and chief executive officer of the company FFP, the main activity of which is to acquire and manage such equity interests.

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## 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 2014 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 2014;
  - 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 – Distribution of an ordinary dividend and of an exceptional dividend
- Fifth resolution – Approval of related-party agreements and commitments
- Sixth resolution – Re-election of Mr. Matthieu Dumas as Supervisory Board member for a term of three years.
- Seventh resolution – Re-election of Mr. Blaise Guerrand as Supervisory Board member for a term of three years.
- Eighth resolution – Re-election of Mr. Robert Peugeot as Supervisory Board member for a term of three years.
- Ninth resolution – Opinion on the compensation elements owed or allocated in respect of the year ended 31 December 2014, to Mr. Axel Dumas, Executive Chairman of the Company
- Tenth resolution – Opinion on the compensation elements owed or allocated in respect of the year ended 31 December 2014, to the company Emile Hermès SARL, Executive Chairman of the Company
- eleventh 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’ reports:
  - on the capital reduction through the cancellation of purchased shares (thirteenth resolution);
  - on the authorisation to allocate share purchase options (fourteenth resolution);
  - on the allocation of existing bonus shares (fifteenth resolution);
  - on the issue of shares and/or of various marketable securities with continuation and/or cancellation of the pre-emptive subscription right (seventeenth and eighteenth resolutions);
  - on the issue of shares and/or marketable securities giving access to company equity, reserved for members of a company or group savings plan (nineteenth resolution);
  - on the issue of shares and/or of various marketable securities with cancellation of the pre-emptive subscription right (twentieth resolution);
  - on the issue of shares and/or of various marketable securities providing access to the company capital, in order to compensate contributions in kind (twenty-first 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**

- Twelfth resolution – Modification of article 24.2 of the articles of incorporation in order to bring it into compliance with article R 225-85 of the Commercial code resulting from decree n° 2014-1466 of 8 December 2014 that modified the method for determining the “record date” for participation in general meetings.
- thirteenth resolution – Authorisation to the Executive Management in order to reduce the capital by means of cancelling all or some of the Company’s treasury shares (Article L 225-209 of the Commercial code) - General share cancellation programme
- Fourteenth resolution – Authorisation to the Executive Management to grant share purchase options
- Fifteenth resolution – Authorisation to the Executive Management so as to carry out allotments of existing ordinary shares of the Company for no consideration
- sixteenth resolution – Delegation of authority to the Executive Management in order to increase the capital by capitalisation of reserves, profits and/or premiums and free share distribution and/or increase of the par value of existing shares.
- Seventeenth resolution – Delegation of authority to be granted to the Executive Management in order to decide on the issue of shares and/or any other marketable securities giving access to equity while continuing the pre-emptive subscription right.
- Eighteenth resolution – Delegation of authority to be granted to the Executive Management in order to decide on the issue of shares and/or any other marketable securities giving access to equity while cancelling the pre-emptive subscription right but with the possibility of establishing a priority timeframe, by public offering.
- Nineteenth resolution – Delegation of authority to be granted to the Executive Management in order to decide on the increase of the issued capital by issuing of

shares and/or any other marketable securities giving access to equity, reserved for the members of a company or group savings plan, while continuing the pre-emptive subscription right.

- Twentieth resolution – Delegation of authority to be granted to the Executive Management in order to decide on the issue of shares and/or any other marketable securities giving access to equity while cancelling the pre-emptive subscription, by private investment according to article L 411-2, II of the Monetary and Financial Code.
- Twenty-first resolution – Delegation of authority to be granted to the Executive Management in order to decide on the issue of shares and/or marketable securities giving access to equity, with cancellation of the pre-emptive subscription right, in order to compensate for contributions in kind granted to the company and involving equity securities or marketable securities giving access to equity.
- Twenty-second resolution – Powers.



## Description of proposed resolutions<sup>1</sup>

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 1st, 2nd and 3rd resolutions, we ask that you approve the amount of expenses and charges covered by Article 39-4 of the French Tax Code, which totalled €189,182; that you approve the parent company financial statements and consolidated financial statements for the year ended 31 December 2014 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 – Distribution of an ordinary dividend and of an exceptional dividend**

In the 4th resolution, we submit for your approval the appropriation of net income for the year, in the amount of €587,686,981.05. Of this amount, pursuant to the articles of association, €283,309.03 is to be appropriated to the reserve for purchasing original works of art and, €3,937,502.77 is to be distributed to the Active Partner. We ask you to allocate €100,000,00 to the other reserves. The Supervisory Board recommends that you fix the ordinary dividend at €2.95 per share. The proposed distribution represents an increase of 9.26% of the dividend relative to the previous year.

You are also asked to decide on an exceptional dividend of €5.00 per share, in order to partly distribute the significant available cash (more than €1.4 billion).

In accordance with Article 243 *bis* of the French Tax Code, for natural person shareholders liable for income tax in France, 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 5 March 2015, the remainder of the ordinary dividend, i.e. €1.45 per share, to which the exceptional dividend of €5.00 will be added, for a total amount to be paid per share of €6.45, will be detached from the shares on 4 June 2015 and be payable in cash on 8 June 2015 based on closing positions on the evening of 5 June 2015. 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 3 previous financial years is as follows:

#### **in euros**

Financial year	2013	2012	2011
Ordinary dividend	2.70	2.50	2,00
Exceptional dividend	-	-	5,00
Amount eligible for tax allowance pursuant to Article 158-3 of the French Tax Code	1.08	1.00	2.80

1. The page referrals shown below, indicated by an asterisk (\*), refer to pages in volume 2 of the 2014 annual report.

We note that the five-year summary of the Company's financial data required under Article R 225-102 of the Commercial code is presented on page 247\*.

### **Related-party agreements and commitments**

In the 5th resolution, we ask you to approve the Statutory auditors' special report relative to the agreements and commitments covered by articles L 226-10, L 225-38 to L 225-43 of the Commercial code. This report is provided on pages 55 to 59.

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 continuation of Mr. Axel Dumas's entitlement 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 conclusion of an amendment to the trademark licence contracts in order to simplify the procedure for adding new trademarks;
- the new distribution method for the directors' fees by board member as of 2014.

### **Re-election of Supervisory Board members**

The terms of office of three Supervisory Board members (Messrs. Matthieu Dumas, Blaise Guerrand and Robert Peugeot) will be coming to an end at the closing of this meeting.

In the 6th, 7th and 8th resolutions, the Active Partner proposes that you renew the terms of office of the Supervisory Board members that are coming to an end, for the statutory term of 3 years, for:

- Mr. Matthieu Dumas;
- Mr. Blaise Guerrand;
- Mr. Robert Peugeot.

These 3 terms of office will therefore expire at the end of the General meeting called in 2018 in order to vote on the financial statements for the year ending on 31 December 2017.

Pages 7 to 10 contain information on the persons whose re-election is submitted for your approval.

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

In the 9th and 10th resolutions, we ask you to provide a favourable opinion on the compensation elements owed or allocated to the executive chairmen relative to the 2014 financial year, as presented in the two following tables.

Under the terms of Article L 26 of the articles of association, the Company pays 0.67% of the distributable profits to the company Emile Hermès SARL (i.e. €3,646,826.73 in 2014, relative to 2013), but this does not constitute a senior executive's compensation.

Compensation element	Amount or accounting valuation (in euros)	Presentation
9th RESOLUTION: Mr. AXEL DUMAS		
Gross annual variable compensation under the articles of association	From 1 January to 31 December 2014 <b>€1,050,000</b>	<p>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. €2,393,104 for 2014) for the previous financial year.</p> <p>However, if there are more than two Executive Chairmen, the combined total gross annual compensation of all Executive Chairmen shall not be more than 0.40% of the Company's consolidated income before tax (i.e. €4,786,208 for 2014) for the previous financial year.</p> <p>Within the ceiling set forth herein, the Management Board of the Active Partner Emile Hermès SARL determines the actual amount of the annual compensation pursuant to the articles of association payable to each Executive Chairman.</p> <p>The compensation paid in 2014 to Mr. Axel Dumas pursuant to the articles of association was determined by the Management Board on 18 March 2014.</p>
Gross annual supplemental compensation	From 1 January to 31 December 2014 <b>€1,050,000</b> – Fixed component: €929,146 – Percentage indexed to revenue growth: €120,854	<p>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 growth in the Company's consolidated revenue for the previous financial year at constant exchange rates and on the same scope of consolidation, by comparison with revenue for the next to last financial year (i.e. €1,689,279 for 2014).</p> <p>Within the ceiling set forth above, the Management Board of the Active Partner Emile Hermès SARL determines the actual amount of the annual supplemental compensation payable to each Executive Chairman.</p> <p>The supplemental compensation paid in 2014 to Mr. Axel Dumas was determined by the Management Board on 18 March 2014.</p>
Deferred variable compensation	Not applicable	No provision is made for the principle of the allocation of deferred variable compensation.
Multi-year variable compensation	Not applicable	No multi-year compensation mechanism was implemented in 2014.
Exceptional compensation	Not applicable	No provision is made for such compensation.
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 2014 financial year.
Signing bonus	Not applicable	No such commitment exists.
Severance pay	€0	<p>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 approved by the General meeting on 3 June 2014, 9th resolution, in application of article L 225-42-1 of the Commercial code).</p> <p>The payment of severance is subject to the fact that the cessation of the Executive Chairman's duties results:</p> <ul style="list-style-type: none"> <li>– either from a decision taken by Mr. Axel Dumas by reason of a change of control over the Company, a change of the Executive Manager of Emile Hermès SARL, i.e. the Company's Executive Chairman, or a change of the Company's strategy;</li> <li>– or from a decision taken by the Company.</li> </ul>

Each Executive Chairman has the right to receive certain compensation under Article 17 of the articles of association, and may also receive additional 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 additional 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.

Compensation element	Amount or accounting valuation (in euros)	Presentation
		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 2014 financial year	Defined contribution pension plan (art. 83 of the French Tax Code) 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 approved 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 French Tax Code) 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 approved by the General meeting on 3 June 2014 – 4th resolution – in application of article L 225-40 of the Commercial code). This retirement plan is not closed. 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	€3,325	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 (decision of the Supervisory Board of 19 March 2014).
<b>10th RESOLUTION: EMILE HERMES SARL</b>		
Gross annual variable compensation under the articles of association	From 1 January to 31 December 2014 <b>€2,393,104</b>	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. €2,393,104 for 2014) for the previous financial year. However, if there are more than two Executive Chairmen, the combined total gross annual compensation of all Executive Chairmen shall not be more than 0.40% of the Company's consolidated income before tax (i.e. €4,786,208 for 2014) for the previous financial year. Within the ceiling set forth herein, the Management Board of the Active Partner Emile 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 2014 to the company Emile Hermès SARL pursuant to the articles of association was determined by the Management Board on 18 March 2014.
Gross annual supplemental compensation	From 1 January to 31 December 2014 <b>€1,689,279</b> – Fixed component: €1,494,845 – Percentage indexed to revenue growth: €194,434	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 growth in the Company's consolidated revenue for the previous financial year at constant exchange rates and on the same scope of consolidation, by
		Each Executive Chairman has the right to receive certain compensation under Article 17 of the articles of association, and may also receive additional 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 additional 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.

Compensation element	Amount or accounting valuation (in euros)	Presentation
		comparison with revenue for the next to last financial year (i.e. €1,689,279 for 2014). Within the ceiling set forth above, the Management Board of the Active Partner Emile Hermès SARL determines the actual amount of the annual supplemental compensation payable to each Executive Chairman. The supplemental compensation paid in 2014 to the Emile Hermès SARL company was determined by the Management Board on 18 March 2014.
Deferred variable compensation	Not applicable	No provision is made for the principle of the allocation of deferred variable compensation.
Multi-year variable compensation	Not applicable	No multi-year compensation mechanism was implemented in 2014.
Exceptional compensation	Not applicable	No provision is made for such compensation.
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 2014 financial year.
Signing bonus	Not applicable	No such commitment exists.
Severance pay	Not applicable	No such commitment exists.
Non-competition indemnity	Not applicable	No such commitment exists.
Supplementary pension scheme	Not applicable	As a legal person, Emile Hermès SARL is not eligible for a supplementary pension plan.
Directors' fees	Not applicable	The Executive Chairmen do not receive any directors' fees.
Valuation of benefits in kind	Not applicable	Emile Hermès SARL does not receive any benefits in kind.

n/a: not applicable.

### **Delegation of authority to the Executive management - Share buyback programme**

In the 11th 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 herein, more specifically:

- purchases and sales of a maximum number of shares representing up to 10% of the share capital would be authorised;
- the maximum purchase price (excluding costs) would be €500 per share. The maximum amount of funds to be committed would be €850 million. It is stipulated that treasury shares on the day of the General Meeting are not taken into account in this maximum amount;
- the shares can be purchased in order to allocate them to the objectives authorised by European regulations (cancellation of shares up to 10% of the capital per period of 24 months, coverage of the commitment to deliver shares, for example as part of the issue of marketable securities giving access to equity or allocations of share purchase options or existing free shares, allocation to employees), or to one or more market practices currently accepted by the Financial Markets Authority (practices including external growth and the implementation of a liquidity contract by an investment services provider acting independently) or, thereafter, and more generally, to allocate them to the completion of any operation complying with the applicable regulations.

This authorisation would be valid for 18 months from the date of the General Meeting.

## **II – Extraordinary business**

### **Modification of article 24.2 of the articles of association**

In the 12th resolution, you are asked to modify article 24.2 of the articles of association in order to take into account the new clearing / settlement cycle and to bring it into compliance with article R 225-85 of the Commercial code resulting from decree n° 2014-1466 of 8 December 2014 that modified the method for determining the “*record date*” for participation in general meetings.

The “*record date*” is henceforth:

- calculated relative to the liquidated positions (clearing-settlement date, i.e. transaction D + 2);
- fixed on D - 2 business days at 12 AM (midnight) rather than D - 3 business days relative to the Meeting.

The right to take part in the General meetings is now subject to an “account entry” of the shareholder’s shares on the second business day prior to the Meeting at midnight (Paris time) (and no longer subject to an “accounting entry” on D - 3).

The shareholders who can participate in the Meeting are the ones who will have traded (and notably purchased) their shares at the latest on the fifth day before the Meeting and will therefore be registered in the account on the *record date*.

### **Delegations of authority to the Executive Management - Cancellation of shares**

In the 13th 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, in the proportions and at the times that it decides, up to a maximum of 10% of the share capital per period of 24 months. 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 24 months from the date of the General Meeting.

### **Grants of authority to the Executive Management - Share purchase options**

In the 14th resolution, we ask that you renew the authorisation to 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 not yet exercised and the total number of free shares granted under the terms of the 15th resolution shall not represent more than 2% of the total number of ordinary shares 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 the currently applicable regulations, the purchase price cannot be less than 80% of the average of the share prices during the twenty trading days on the Euronext Paris regulated

market 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 7 years from the option grant date.

In compliance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the company's shares.

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 to which they would apply equal to 0.05% of the issued capital on the date of the allocation decision, with this sub-ceiling applying against the 2% cap common to the authorisations granted in the 14th and 15th resolutions.

This authorisation would be valid for 38 months from the date of the General Meeting.

#### **Delegations of authority to the Executive Management – Free share distribution**

In the 15th resolution, we ask that you renew the authorisation to the Executive Management to grant existing ordinary Company shares for no consideration.

The total number of shares granted for no consideration and the total number of shares to which the share purchase options granted pursuant to the 14th resolution would apply and not been exercised shall not represent more than 2% of the total number of ordinary Company shares outstanding on the free share allotment date, not including those options allocated under the terms of previous authorisations. The vesting period for the allocated shares cannot be less than 2 years, with the Executive Management being authorised to reduce the vesting period if so authorised by new legal provisions on the day of the allocation decision. The mandatory holding period for the shares cannot be less than 2 years, with the Executive Management being authorised to reduce or cancel this period, under the conditions and limits established by the prevailing laws on the day of the allocation decision, except in the specific cases listed in the resolution.

In compliance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the company's shares.

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% cap common to the authorisations granted in the 14th and 15th resolutions.

This authorisation would be valid for 38 months from the date of the General Meeting.

### **Delegations of authority to the Executive Management – Issues of marketable securities (general case)**

In the 16th, 17th and 18th resolutions, we ask you to renew a certain number of authorisations intended to provide the Executive Management with the competence in order to decide, under the control of the company's Supervisory board and of the Management board of the company Emile Hermès SARL, Active Partner, on various issues of the company's marketable securities, with or without a pre-emptive subscription right. As authorised by law, these resolutions are intended to provide the Management with the flexibility needed to act in the best interests of the company, under the control of the company's Supervisory board and of the Management board of the Emile Hermès SARL company, the active partner. The diversity of financial products and the rapid evolution of the markets make it necessary to have the greatest possible flexibility in order to choose the issue provisions that are most favourable for the company and its shareholders, in order to be able to quickly carry out operations on the basis of opportunities that may present themselves.

The Executive Management would then be authorised, in all circumstances, in France and abroad, to issue ordinary shares of the company, as well as:

- marketable securities governed by articles L 228-91 et seq of the Commercial code, which are company equity securities providing access, immediately and/or in the future, to other company equity securities and/or that provide access to an allocation of the company's debt instruments, and/or
- marketable securities representing a public claim, governed or not by articles L 228-91 et seq of the Commercial code, that provide access or that could provide access to equity securities to be issued by the company, with these marketable securities providing access, where relevant, to existing equity securities and/or company debt instruments, within the limits of the ceilings defined below.

The issue of marketable securities consisting of debt instruments including a right to the allocation of other debt instruments or of existing equity securities could henceforth be decided by the Executive Management under the conditions listed in article L 228-40 of the Commercial code, if this involves issuing bonds or profit participation certificates, without an authorisation from the General meeting being necessary.

These issues can include either the continuation of the shareholders' pre-emptive subscription right (17th resolution), or the cancellation of the shareholders' pre-emptive subscription right (18th resolution). You are asked to cancel the pre-emptive subscription right in order to make it possible, by accelerating the investment process involving these issues, to increase the chances of their successful completion. We nevertheless inform you that in all cases of issues without a pre-emptive right:

- the Executive Management can provide the shareholders with a priority for subscription for the shares;
- the sum obtained or to be obtained by the company for each of the shares that will be issued, after taking into account – in case of the issue of stand-alone warrants – the issue price of the said warrants, will in any event be at least equal to the weighted average of the share prices during the last 3 Market sessions on the Euronext Paris regulated market preceding the setting of the subscription price for the capital increase, possibly decreased by a maximum discount of 5% in compliance with the



applicable regulations. You are also asked to renew the usual delegation that allows the company to increase the capital through capitalisation of the reserves (16th resolution), within the limits of the ceilings defined below.

In compliance with article L 233-32 of the Commercial code, the delegations can be implemented during a period of a public offer involving the company's shares.

**Delegations of authority to the Executive Management – Capital increase in favour of members of a company savings plan with cancellation of the pre-emptive subscription right**

In the 19th resolution, we ask you to delegate to the Executive Management all powers to carry out, under the control of the company's Supervisory board and of the Management board of the Emile Hermès SARL company, active partner, a capital increase reserved for the employees and corporate officers under the conditions indicated in article L 225-129 of the Commercial code, provided that these employees are members of a company or group savings plan, within the limit of the ceilings defined below.

The discount is set at 20% of the average of the listed prices of the Company's shares during the 20 Stock market sessions preceding the day of the decision establishing the subscription opening date.

In compliance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the company's shares.

**Delegations of authority to the Executive Management – Issues of marketable securities (by private investment or to compensate for contributions in kind)**

In the 20th resolution, we ask you to delegate to the Executive Management, pursuant to the provisions of article L 225-136-3° of the Commercial code and article L 411-2 II of the Monetary and Financial Code and under the control of the company's Supervisory board and of the Management board of the company Emile Hermès SARL, Active Partner, the authority to decide on the issue of shares and/or any other marketable securities giving access to equity, with cancellation of the pre-emptive subscription right of the shareholders, by means of a private investment reserved for qualified investors or for a limited circle of investors, as defined in article D 411-1 of the Monetary and Financial Code, within the limit of the ceilings defined below.

This is a new delegation that is not included amongst the delegations usually submitted to your Meeting. It will allow the company to benefit from all opportunities with regard to possibly attracting an investor, or an economic, commercial or financial partner with the capacity of a qualified investor, to join the company capital.

The issue price would be at least equal to the weighted average of the prices during the last 3 Market sessions preceding the issue, less a maximum discount of 5%, where relevant.

In the 21st resolution, we ask you to delegate to the Executive Management, pursuant to the provisions of article L 225-129 et seq, and notably article L 225-147 of the Commercial code, and under the control of the company's Supervisory board and of the Management board of the company Emile Hermès SARL, Active Partner, the authority to issue shares and/or marketable securities giving access to equity, with cancellation of the pre-emptive subscription right, in order to compensate for contributions in kind granted to the company, within the limit of the ceilings defined below.

This is a new delegation that is not included amongst the delegations usually submitted to your Meeting. It would allow the company to benefit from all opportunities to undertake external growth operations in France or abroad, or to buy out minority equity

interests within the group with no impact on the company's cash position, within the limit of 10% of the issued capital.

In compliance with article L 233-32 of the Commercial code, the delegations can be implemented during a period of a public offer involving the company's shares.

### **Delegations of authority to the Executive Management – Ceilings**

The individual and common ceilings (caps) of the financial authorisations that you are asked to grant to the Executive Management are the following:

Resolutions	INDIVIDUAL CEILING OF EACH DELEGATION	CEILING COMMON TO SEVERAL DELEGATIONS
<b>Purchase options / free shares</b>	<b>% of the number of shares on the allocation date</b>	
14th (purchase options)	2% including a maximum of 0.05% in favour of the Executive Chairmen	2%
15th (free shares)	2% including a maximum of 0.05% in favour of the Executive Chairmen	
	<b>MAXIMUM NOMINAL AMOUNT TO BE ISSUED IMMEDIATELY AND/OR IN THE FUTURE</b>	
<b>Equity securities</b>	<b>% of share capital as of meeting date</b>	
16 <sup>th</sup> (issue by capitalisation of reserves)	40%	n/a
17th (issue with continuation of the pre-emptive subscription right)	40%	40%
18th (issue with elimination of the pre-emptive subscription right)	40%	
19th (capital increase reserved for the members of a company or group savings plan)	1%	
20th (issued by private investment)	20% per year	
21st (issue in order to compensate for contributions in kind)	10%	
<b>Debt instruments</b>	<b>Maximum nominal amount</b>	
17th (issue with continuation of the pre-emptive subscription right)	€1 billion	€1 billion
18th (issue with elimination of the pre-emptive subscription right)	€1 billion	
20th (issued by private investment)	€1 billion	
21st (issue in order to compensate for contributions in kind)	€1 billion	

n/a: not applicable.

To these ceilings will be added, as relevant, the nominal amount of the additional shares to be issued in order to maintain, in compliance with the law, the rights of the holders of marketable securities providing access to shares.

## Summary of the use of financial authorisations 2

In accordance with the provisions of Article L 225-100, paragraph 7 of the Code de Commerce, 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 2014, if relevant; new authorisations to be submitted to the shareholders at the General Meeting of 2 June 2015.

	resolution n°	Term of authorisation Expires 3	Characteristics	used during 2014
<b>GENERAL MEETING ON 4 JUNE 2013</b>				
Share buyback	11th	18 months 3 June 2014	Ceiling 10% of share capital Maximum purchase price €400 Maximum amount of funds committed €800 million	See page 107*
Cancellation of shares purchased (general cancellation programme)	13th	24 months 3 June 2014	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 the 15th, 16th and 17th resolutions.	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.	None
Issues without pre-emptive subscription rights all securities giving access to equity	16th	26 months 4 August 2015		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 the 15th and 16th resolutions.
Capital increase without pre-emptive subscription right in favour of members of a savings plan	17th	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 1% of the issued capital, with this cap being applied to the 20% ceiling that is common 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.	None

2. The page referrals shown below, indicated by an asterisk (\*), refer to pages in volume 2 of the 2014 annual report.

3. For the indication of the expiration dates that are currently valid before the General meeting on 2 June 2015, 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 n°	Term of authorisation Expires 3	Characteristics		used during 2014
Options to purchase existing shares	18th	38 months 4 August 2016	The number of purchase 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.	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; and – the granted options will be subject to performance conditions defined at the time of the grant.	None
Bonus share distribution to employees	19th	38 months 4 August 2016		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; and – the granted free shares shall be contingent upon meeting serious and demanding performance criteria defined at the time of the grant.	None
<b>GENERAL MEETING ON 3 JUNE 2014</b>					
Share buyback	14th	18 months 3 December 2015	Ceiling 10% of share capital Maximum purchase price €400 Maximum amount of funds committed €800 million		See page 107*
Cancellation of shares purchased (general cancellation programme)	15th	24 months 3 June 2016	Ceiling 10% of share capital		None
Options to purchase existing shares	16th	38 months 3 August 2017	The number of purchase 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	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	None

	resolution n°	Term of authorisation Expires 3	Characteristics	used during 2014
			<p>total number of shares existing at the time of the allotment, without taking into account the ones granted pursuant to the preceding authorisations.</p> <p>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.</p> <p>In the event that free shares are granted to one or more Executive Chairmen:</p> <ul style="list-style-type: none"> <li>– the Company must meet one or more of the conditions listed in article L 225-186-1 of the Commercial Code; and</li> <li>– 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;</li> <li>– the granted options 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;</li> <li>– the maximum percentage of purchase options that can be granted will be 0.05%, with this cap being applied against the 2% cap common to the delegations listed in the 16th and 17th resolutions.</li> </ul>	
Bonus share distribution to employees	17th	38 months 3 August 2017	<p>In the event that free shares are granted to one or more Executive Chairmen:</p> <ul style="list-style-type: none"> <li>– the Company must meet one or more of the conditions listed in article L 225-197-6 of the Commercial Code; and</li> <li>– 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;</li> <li>– 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;</li> <li>– 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.</li> </ul>	None
<b>DELEGATIONS PROPOSED TO THE GENERAL MEETING OF 2 JUNE 2015</b>				
Share buyback	11th	18 months 2 December	Ceiling 10% of share capital Maximum purchase price €500	-

	resolution n°	Term of authorisation Expires 3	Characteristics	used during 2014
		2016	Maximum amount of funds committed €850 million	
Cancellation of treasury shares (general cancellation programme)	13th	24 months 2 June 2017	Ceiling 10% of share capital	-
In compliance with article L 233-32 of the Commercial code, the delegations proposed below by virtue of the 14th (purchase options), 15th (free shares), 16th (issue by capitalisation of reserves), 17th (issue with continuation of the pre-emptive subscription right), 18th (issue with elimination of the pre-emptive subscription right), 19th (capital increase reserve for members of a company or group savings plan), 20th (issue by private investment) and 21st (issue in order to compensate contributions in kind) resolutions will be implemented during a period of a public offering of the company's shares.				
Options to purchase existing shares	14th	38 months 2 August 2018	<p>The individual and common ceilings of the proposed financial authorisations are indicated in the foreword on page 23.</p> <p>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 of the Company's shares on the Euronext Paris regulated market on the twenty Stock market sessions preceding the option allotment, without being less than 80% of the average purchase price of the shares held.</p> <p>In the event that free shares are granted to one or more Executive Chairmen:</p> <ul style="list-style-type: none"> <li>- the Company must meet one or more of the conditions listed in article L 225-186-1 of the Commercial Code; and</li> <li>- 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;</li> <li>- the granted options 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;</li> <li>- the maximum percentage of shares that can be provided by the purchase options granted to the Executive Chairmen under the present resolution will be 0.05% of the issued capital on the date of the granting decision by the Executive Management, with this cap being applied against the 2% cap common to the delegations listed in the 14th and 15th resolutions.</li> </ul>	-
Allotments of existing ordinary shares of the Company for no consideration	15th	38 months 2 August 2018	<p>The individual and common ceilings of the proposed financial authorisations are indicated in the foreword on page 23.</p> <p>In the event that free shares are granted to one or more Executive Chairmen:</p> <ul style="list-style-type: none"> <li>- the Company must meet one or more of the conditions listed in article L 225-197-6 of the Commercial Code; and</li> <li>- the allotted shares cannot be sold before the cessation of</li> </ul>	-

	resolution n°	Term of authorisation Expires 3	Characteristics	used during 2014
			<p>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;</p> <p>– 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;</p> <p>– 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 14th and 15th resolutions.</p>	
Capital increase by capitalisation of reserves, profits and/or premiums and allotment of free shares and/or increase of the face value of existing shares	16th	26 months 2 August 2017	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 40% 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 the 17th, 18th, 19th, 20th and 21st resolutions.	-
Issues of shares and/or all securities giving access to equity with continuation of the pre-emptive subscription right	17th	26 months 2 August 2017	The individual and common ceilings of the proposed financial authorisations are indicated in the foreword on page 23.	-
Issue of shares and/or all securities giving access to equity with continuation of the pre-emptive subscription right but with the possibility of establishing a priority time limit, by public offering	18th	26 months 2 August 2017	The individual and common ceilings of the proposed financial authorisations are indicated in the foreword on page 23.	-
Capital increase without pre-emptive subscription right in favour of members of a savings plan	19th	26 months 2 August 2017	The face value of the capital increases likely to be carried out immediately and/or in the future pursuant to the 19th resolution (capital increase reserved for the members of a company or group savings plan) cannot be greater than 1% of the issued capital, with this ceiling applying against the 40% ceiling common to the delegations granted in the 17th, 18th, 19th, 20th and 21st 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.	-
Issue of shares and/or all other securities giving access to equity, with cancellation of the pre-emptive subscription right, by private investment indicated in article L 411-2, II of the Monetary and Financial Code	20th	26 months 2 August 2017	The individual and common ceilings of the proposed financial authorisations are indicated in the foreword on page 23.	-
Issue of shares and/or all securities giving access to equity, with cancellation of the pre-emptive subscription	21st	26 months 2 August 2017	The individual and common ceilings of the proposed financial authorisations are indicated in the foreword on page 23.	-

	<b>resolution n°</b>	<b>Term of authorisation Expires 3</b>	<b>Characteristics</b>	<b>used during 2014</b>
right, in order to compensate for contributions in kind granted to the company and involving equity securities or marketable securities giving access to equity				



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## Draft 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 2014, approves the financial statements, the balance sheet, income statement and the notes thereto as presented, as well as the transactions that they reflect or that are summarized in these reports.

In the application of article 223 *quater* of the French Tax Code, the General Meeting approves the expenses and charges covered by Article 39-4 of the French Tax Code, that amounted to €189,182 in 2014 and that generated an estimated tax expense of €71,889.

#### 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 2014, approves the consolidated financial statements as presented to it, namely the balance sheet, profit and loss statement and the notes appended thereto, as well as the transactions that they reflect or that are summarized in these reports.

#### 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 2014 and ending on 31 December 2014.

#### Fourth resolution

##### Appropriation of net income – Distribution of an ordinary dividend and of an exceptional dividend

The General Meeting, voting under the quorum and majority conditions applicable to ordinary general meetings, notes that net income for the year amounted to €587,686,981.05 and retained earnings of €1,015,070,737.34, and having duly noted that the legal reserve has been reached in its entirety, approves the appropriation of these sums totalling €1,602,757,718.39 as distributable profits, as proposed by the Supervisory Board:

- ◆ to the reserve for purchasing original works of art: €283,309.03
- ◆ to the Active Partner, pursuant to Article 26 of the articles of association: €3,937,502.77
- ◆ to shareholders, an "ordinary" dividend of €2.95 per share (1), totalling: €311,429,765.40
- ◆ to shareholders, an "extraordinary" dividend of €5.00 per share (1), totalling:

	€527,847,060.00
◆ to the other reserves, the sum of	€100,000,000.00
◆ to retained earnings, the balance of:	€659,260,081.19
◆ <b>Total amount appropriated</b>	<b>€1,602,757,718.39</b>

(1) The total amount of the distribution indicated in the above table is calculated on the basis of the number of shares comprising the capital on 31 December 2014, i.e. 105,569,412 shares, and could change if the number of shares entitled to dividends changes between 1 January 2015 and the dividend detachment date, notably according to the evolution of the number of treasury shares and of the final allotments of free shares.

The General Meeting decides that the balance of the ordinary dividend for the financial year (an interim dividend of €1.50 per share having been paid on 5 March 2015), i.e. €1.45, to which the exceptional dividend of €5.00 will be added, for a total amount to be paid per share of €6.45, will be detached from the shares on 4 June 2015 and paid in cash on 8 June 2015 based on closing positions on the evening of 5 June 2015.

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 French Tax Code, it is stipulated that, for natural person shareholders liable for income tax in France, 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 French 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:

**in euros**

Financial year	2013	2012	2011
Ordinary dividend	2.70	2.50	2.00
Exceptional dividend »	-	5,00	-
Amount eligible for tax allowance pursuant to Article 158-3 of the French Tax Code	1.08	1.00	2.80

**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 this report and all of its provisions, as well as the agreements, commitments and transactions entered into or performed during the financial year 2014.

**Sixth resolution****Re-election of Mr. Matthieu Dumas 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. Matthieu Dumas.

Pursuant to Article 18.2 of the articles of association, his 3-year 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 2017.

Mr. Matthieu Dumas 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. Blaise Guerrand 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. Blaise Guerrand.

Pursuant to Article 18.2 of the articles of association, his 3-year 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 2017.

Mr. Blaise Guerrand 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****Re-election of Mr. Robert Peugeot 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. Robert Peugeot.

Pursuant to Article 18.2 of the articles of association, his 3-year 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 2017.

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

### **Ninth resolution**

#### **Opinion on the compensation elements owed or allocated in respect of the year ended 31 December 2014, to Mr. Axel Dumas, Executive Chairman of the Company**

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 2014, to Mr. Axel Dumas in his capacity as Executive Chairman, as presented in the description of the reasons for the proposed resolutions.

### **Tenth resolution**

#### **Opinion on the compensation elements owed or allocated in respect of the year ended 31 December 2014, to the company Emile Hermès SARL, Executive Chairman of the Company**

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 2014, to the Emile Hermès SARL company in its capacity as Executive Chairman, as presented in the description of the reasons for the proposed resolutions.

### **Eleventh 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:

1) authorises the Executive Management, with the option of sub-delegating such authority under the terms set by law, in accordance with the provisions of Articles L 225-209 et seq. of the Commercial code, 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 Company shares, 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 Commercial code, 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 on the date in question;

2) Decides that the shares may be bought with a view to:

- ensuring the liquidity of the secondary market or of the shares by an investment services provider acting entirely independently under a liquidity contract that complies with a code of conduct recognised by the Financial Markets Authority (AMF);

- cancelling all or part of the shares purchased in this manner, 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 or assigning 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 Commercial code), or free share distributions (in accordance with Articles L 225-197-1 et seq. of the Commercial code), or as part of the Company's employee profit sharing schemes or of an employee share ownership or of a company or group savings plan (or any similar plan) under the conditions stipulated by law, notably in articles L 3332-1 et seq of the Labour Code;
- delivering the shares for the exercise of rights attached to securities entitling the holders to an allotment of Company shares, by conversion, exercise, redemption, exchange, presentation of a warrant or by any other means.

This programme will 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, notably any market practice that would be accepted by the Financial Markets Authority (AMF) after the date of this General meeting. In such case, the Company would inform its shareholders by publishing a special notice;

3) Decides 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 five hundred euros (€500), excluding incidental expenses;

4) Decides, 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;

5) Decides that the maximum amount of funds that may be committed to this share buyback programme shall be eight hundred fifty million euros (€850 million);

6) Decides that the shares may be purchased by any means, including partially or entirely by purchase on the regulated markets, multilateral trading systems, from systematic internalisers or over-the-counter, including by block purchase (without limiting the portion of the buyback programme that can be performed using this means), 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 involving the company's shares, in compliance with stock market regulations, whether directly or indirectly through an investment services provider. 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;

7) Confers all powers on the Executive Management for the purposes of this authorisation, and in particular:

- to decide upon and effect all transactions anticipated by this authorisation; 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 allocate or reallocate the acquired shares to the various objectives pursued under the applicable legal and regulatory conditions;
- 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 (AMF) and any other relevant authority;
- to undertake all necessary formalities, and
- in general, to do whatever is necessary;

8) Decides 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 fourteenth resolution adopted by the Combined General Meeting of 3 June 2014 and cancels the unused portion of that authorisation.

## II - Extraordinary business

### Twelfth resolution

**Modification of article 24.2 of the articles of incorporation in order to bring it into compliance with article R 225-85 of the Commercial code resulting from decree n° 2014-1466 of 8 December 2014 that modified the method for determining the “record date” for participation in general meetings**

The General Meeting, voting under the quorum and majority requirements applicable to extraordinary general meetings, and having reviewed the Executive Management’s report and the Supervisory Board’s report, decides to amend Article 24.2 of the articles of association in the following way:

“24 – GENERAL MEETING OF SHAREHOLDERS”

– Paragraph 24.2 shall henceforth read (added words are underlined and in bold characters, deleted words are struck):

*“24.2 - The right to participate in General Meetings is subordinated **to account registration** ~~registered shares being entered~~ in the Company’s register or bearer shares being registered in a securities account opened with an authorised financial intermediary, no later than **two** ~~three~~ business days before the date of the meeting before 12 AM (midnight), Paris time. Shareholders owning bearer shares must obtain an admittance certificate from the authorised financial intermediary evidencing the registration of their shares, which is attached to the postal vote or proxy form. All share- holders may cast their votes remotely or by proxy, under the conditions set forth in the applicable regulations.*

*Furthermore, on the Executive Management’s decision, shareholders may vote by any telecommunication or remote transmission means, in accordance with the regulations applicable at the time of the decision. This option shall be indicated in the notice of meeting published in the Bulletin des annonces légales obligatoires (BALO).*

*Votes cast by Shareholders using the electronic ballot form provided on the website created by the meeting coordinator for this purpose are counted in the same way as votes cast by Shareholders present or represented. The electronic ballot may be completed and signed directly on this site by any procedure approved by executive*

*Management and that complies with the conditions defined by Article L 1316-4 of the Code Civil, in the first sentence of Paragraph 2 (that is, by using a reliable identification procedure that guarantees that the signature is linked to the form), which may consist, inter alia of a login name and a password. Any proxies given or votes cast via this electronic means before the General Meeting, and the acknowledgements of receipt sent in response, will be deemed to be irrevocable instructions that are enforceable in every way, it being specified that in the event that shares are sold before the ~~second~~ **third** business day preceding the Meeting, at 12 AM (midnight), Paris time, the Company will accordingly void or amend any proxy or voting instructions sent before that date and time. Persons invited by the executive Management or by the Chairman of the Supervisory Board may also attend General Meetings. The Active Partners may attend General Meetings of Shareholders. Active Partners that are legal entities are represented by a legal representative or by any person, Shareholder or otherwise, designated thereby.”*

### **Thirteenth resolution**

#### **Authorisation to the Executive Management in order to reduce the capital by means of cancelling all or some of the Company’s treasury shares (Article L 225-209 of the Commercial code) - General share cancellation programme**

The General Meeting, acting under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Executive Management’s report, the Supervisory Board’s report and the Statutory Auditors’ special report, and in accordance with Article L 225-209 of the Commercial code, hereby authorises the Executive Management to reduce the share capital, on one or more occasions, in the proportions and at the times that it decides, by cancelling some or all of the shares held or acquired by the Company in connection with the share buyback programme for its own shares covered by the eleventh resolution submitted to this 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 cancelled shares to whichever reserve account it sees fit, and to record the reductions in share capital resulting from the cancellation operations authorised by this 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 fifteenth resolution adopted by the Combined General Meeting of 3 June 2014 and cancels the unused portion of that authorisation.

### **Fourteenth 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 Executive Management’s report, the Statutory Auditors’ special report and the Supervisory Board’s report:

- 1) decides to authorise the Executive Management, in accordance with articles L 225-177 to L 225-186-1 of the Commercial code, 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 Commercial code, options providing the right to buy Hermès International shares that the Company has acquired under statutory conditions;

2) confirms that in accordance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the Company's shares.

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 fifteenth resolution would amount to more than 2% of the total number of Company ordinary shares, 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 sub-paragraph 2 of L 225-179 of the Commercial code; it shall be equal at least to the average quoted share price on the Euronext Paris regulated market during the 20 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 listed 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(s) at which the options may be allotted and exercised, the list of 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:

- ◆ decides 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;

- ◆ decides 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 that they must hold in registered form until after they have left office;

- ◆ decides 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 shares that can be provided by the purchase options granted to the Executive Chairmen under the present resolution will be 0.05% of the issued capital on the date of the granting decision by the Executive Management, with this cap being applied against the 2% cap common to the delegations listed in the fourteenth and fifteenth resolutions.

If, during the period in which the options were granted, the Company undertakes one of the operations listed in article L 225-181 or article R 225-138 of the Commercial code, the Company can carry out, under the regulatory conditions and in order to account for the impact of this operation, the measures needed in order to protect the interests of the beneficiaries, and including, if relevant, an adjustment of the number and price of the shares that can be obtained through the exercise of the options granted to the beneficiaries.

Each year, the Executive Management shall report to the Ordinary General Meeting on the operations carried out pursuant to this authority.

This authorisation cancels, for the remaining duration and for the unused fraction, and replaces the authorisation provided by the Combined general meeting on 3 June 2014 in its sixteenth resolution.

### **Fifteenth resolution**

#### **Authorisation to the Executive Management so as to carry out allotments of existing ordinary shares of the Company for no consideration**

The General Meeting, acting under the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the Executive Management's 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 Commercial code:

- 1) 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 Commercial code, 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 eleventh 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;
- 2) Decides 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;
- 3) Decides that the Executive Management shall determine the dates on which the free shares will be distributed, within the conditions and limitations stipulated by law;
- 4) Decides 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 shares that could be obtained as a result of the share purchase options granted by virtue of the fourteenth resolution and not yet exercised, amounts to more than 2% of the total number of Company ordinary shares as of the free share allotment date, not including those already conferred under authorisations granted by previous General Meetings;
- 5) Decides 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;

6) Decides that the Executive Management can, at the time of each allotment, determine a holding period for the shares by the beneficiaries, with this period that begins as of the final allotment of the ordinary shares not being shorter than a period of two years, unless new legal provisions were to reduce the minimum holding period, with the Executive Management being authorised in this case to reduce and/or cancel the said holding period, under the conditions and within the limits anticipated in the law in effect on the date of the allotment decision; 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;

7) 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;

8) 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;

9) 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;

10) confirms that in accordance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the Company's shares.

11) 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:

- ◆ decides 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 Commercial code, and shall take every necessary measure in this respect;

- ◆ Decides 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;

- ◆ decides 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 this resolution will be 0.05%, with this cap being applied against 2% cap common to the delegations listed in the fourteenth and fifteenth 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 cancels, for the remaining duration and for the unused fraction, and replaces the authorisation provided by the Combined general meeting on 3 June 2014 in its seventeenth resolution.

### **Sixteenth resolution**

#### **Delegation of authority to the Executive Management in order to increase the capital by capitalisation of reserves, profits and/or premiums and free share distribution and/or increase of the par value of existing shares**

The General Meeting, voting pursuant to articles L 225-129-2 and L 225-130 of the Commercial code, under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Executive Management's report and the Supervisory Board report:

1) delegates to the Executive Management, under the control of the Supervisory Board and the Management Board of the company Emile Hermès SARL, Active Partner, the competence to increase the share capital on one or more occasions, at times and under provisions determined by it, through successive or simultaneous capitalisation of all or part of the reserves, profits, share, merger or contribution premiums, to carry out the creation and distribution of free shares or by increasing the par value of the existing shares or by the joint use of these two procedures;

2) decides that in case of a capital increase resulting in the distribution of new free shares, those of these shares allocated with regard to older shares having a double voting right will benefit from this right as of their issue;

3) delegates to the Executive Management the power to decide, in case of a capital increase resulting in the distribution of new free shares, that the rights resulting in share fractions will not be negotiable and that the corresponding shares will be sold; the amount resulting from the sale will be appropriated to the holders of the rights under the conditions of the legal and regulatory provisions;

4) in the event that the Executive Management makes use of this delegation of authority, delegates to the Executive Management the power to carry out all adjustments intended to take into account the incidence of transactions on the company capital, notably involving the modification of the par value of the shares, capital increase by capitalisation of reserves, free share distribution, split or grouping of securities, distribution of reserves or of any other assets, impairment of the capital, or any other transaction involving the shareholders equity, and to determine the provisions, as appropriate, intended to ensure the preservation of the rights of the holders of marketable securities providing access to the capital;

5) decides that the nominal amount of the capital increases possibly carried out immediately and/or in the future as a result of this delegation cannot be more than 40% of the issued capital on the date of this meeting, with capital increases performed in compliance with this delegation not being applied against the cap indicated in paragraph 4 of the seventeenth resolution;

6) entrusts the Executive Management with the broadest possible powers for implementing this delegation, and notably to set the provisions and conditions for the operations and to determine the dates and provisions of the capital increases that will be performed under this delegation, to determine the issue conditions and/or amount by which the face value of existing shares will be increased, to set the subscription opening and closing dates, the possession dates, the provisions for paying up the shares, to determine the completion of the capital increases equal to the amount of the shares that have been actually subscribed and, more generally, to undertake all measures so as to ensure the correct completion thereof, to prepare the documents and formalities needed to ensure the definitive nature of the corresponding capital increase(s) and make the corresponding changes to the articles of association, to complete, directly or through an intermediary, all operations and formalities needed for the capital increases at its sole decision and, at its sole discretion, to apply the expenses for the capital increases against the amount of the premiums relating to these increases and to draw, from this amount, the sums needed to increase the legal reserve to one 10th of the new capital after each increase;

7) entrusts the Executive Management with all powers in order to request the admission to trading on a regulated market for the shares created as part of the present resolution, wherever it recommends;

8) confirms that in accordance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the Company's shares;

9) decides that the present delegation entrusted to the Executive Management is valid for a period of twenty-six months from the present meeting. This delegation cancels, for the remaining duration and for the unused fraction, and replaces the delegation provided by the Combined general meeting on 4 June 2013 in its fourteenth resolution.

### **Seventeenth resolution**

#### **Delegation of authority to be granted to the Executive Management in order to decide on the issue of shares and/or any other marketable securities giving access to equity while continuing the pre-emptive subscription right.**

The General meeting, voting under the quorum and maturity conditions of an extraordinary general meeting, having reviewed the Executive Management's report, the Supervisory board report and the Statutory auditors' report, prepared in compliance with the law and pursuant to the provisions of articles L 225-129 to L 225-129-6, L 225-132 to L 225-134 and L 228-91 to L 228-93 of the Commercial code:

1) delegates to the Executive Management, under the control of the company's Supervisory board and of the Management board of the Emile Hermès SARL company, Active Partner, the competence to decide on a capital increase, on one or more occasions, in proportions and at times determined by it, whether in France or abroad and/or on the international market, either in euros or in any other currency or monetary unit established with reference to several currencies, while maintaining the pre-emptive subscription right, by means of issuing, at no cost or in exchange for payment:

a) new Company ordinary shares,

b) marketable securities governed by articles L 228-91 et seq of the Commercial code, which are company equity securities providing access, immediately and/or in the future, to other company equity securities and/or that provide access to an allocation of the company's debt instruments, and/or

c) marketable securities representing a public claim, governed or not by articles L 228-91 et seq of the Commercial code, that provide access or that could provide access to

equity securities that would be issued by the company, with these marketable securities providing access, where relevant, to existing equity securities and/or company debt instruments;

2) decides that the subscription of shares and other marketable securities indicated in paragraph 1) of this resolution can be carried out either in cash, or by set-off against liquid claim due by the Company, or by capitalisation of reserves, earnings or share premiums;

3) decides that 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 40% of the issued capital on the date of this meeting (individual ceiling);

4) decides that the amount of the capital increases likely to be carried out immediately and/or in the future pursuant to the seventeenth (issue with continuation of the pre-emptive subscription right), eighteenth (issue with cancellation of the pre-emptive subscription right), nineteenth (capital increase reserved for members of a company or group savings plan), twentieth (issue by private investment) and twenty-first (issue in order to compensate for contributions in kind) resolutions cannot, for its part, be greater than 40% of the issued capital on the meeting date (common cap), or the equivalent of this amount in case of an issue in a foreign currency or in units of account set with reference to several currencies, to which amount will be added, if relevant, the face value of the additional shares having to be issued in order to maintain the rights of the holders of marketable securities providing rights to shares, in compliance with the legal and regulatory provisions or, if relevant, with the contractual provisions stipulating other adjustment cases;

5) decides that the maximum face value of the debt instruments likely to be issued immediately and/or in the future in accordance with this delegation cannot be greater than one billion euros (€1,000,000,000) (individual cap), or the equivalent of this amount in case of an issue in a foreign currency or in units of account set with reference to several currencies, with this amount being increased, where relevant, by any redemption premium above the par amount;

6) decides that the maximum face value of the debt instruments likely to be issued pursuant to the seventeenth (issue with continuation of the pre-emptive subscription right), eighteenth (issue with cancellation of the pre-emptive subscription right), twentieth (issue in order to compensate for contributions in kind) and twenty-first (issue in order to compensate for contributions in kind) resolutions cannot be greater than one billion euros (€1,000,000,000) (common cap), with the option for the debt instruments to be issued in euros, foreign currencies or units of account set with reference to several currencies;

7) decides that, in case of a subscription offer, shareholders can exercise, under the conditions set down by law, their irreducible pre-emptive subscription right, bearing in mind that the Executive Management will have the right to provide the shareholders with a reducible right to subscribe for a number of marketable securities in addition to the ones for which they could subscribe on an irreducible basis, in proportion with the subscription rights that they hold and, in any event, within the limits of their request;

8) decides that, if the subscriptions on an irreducible basis and, if relevant, on a reducible basis have not accounted for the entire issue of marketable securities, the Executive Management can, in the order that it considers advisable, use one and/or the other of the possibilities provided by the legal and regulatory provisions then in effect, including a public offering for all or some of the unsubscribed securities;

9) decides that the issues of company stock warrants in application of article L 228- 91 of the Commercial code can take place either through a subscription offer under the

conditions indicated above, or by allocation of free shares to the owners of existing shares. For share warrant distribution, the executive Management will have the right to decide that the allocation rights resulting in share fractions will not be negotiable and that the corresponding warrants will be sold, with the sums resulting from the sale being appropriated to the holders of the rights under the conditions of the legal and regulatory provisions applicable at the time;

10) determines and decides that, insofar as necessary and if relevant, the aforesaid delegation automatically includes, relative to the holders of marketable securities providing access to possibly issued company shares, a waiver by the shareholders of their pre-emptive subscription right to the shares that will be issued upon presentation of these marketable securities;

11) decides that the sum obtained or that will be obtained by the company for each of the shares issued as part of the present delegation, after taking into account – in case of the issue of stand-alone warrants – the issue price of the said warrants, will in any event be at least equal to the face value of the share or the quota of the capital that it represents;

12) decides, with regard to marketable securities providing access to the capital, having reviewed the Executive Management's report, that the subscription price for such securities will be determined by the Executive Management on the basis of the value of the company's shares as defined in paragraph 11 above;

13) entrusts the Executive Management with the broadest possible powers for implementing the present delegation, notably for the purposes of:

- deciding and determining the dates and methods for the issues as well as the form and characteristics of the marketable securities that will be created, determining the issue conditions and prices, and determining the amounts to be issued,

- determining the possession date, with or without retroactive effect, of the shares being issued and, if relevant, the conditions for their buyback, and suspending, if relevant, the exercise of the rights to receive shares to be issued with a timeframe of no more than three months,

- determining the provisions that will ensure, if relevant, the preservation of the rights of the holders of marketable securities giving future access to the issued capital, in compliance with the legal and regulatory provisions,

- generally taking all useful steps, carrying out all necessary formalities and signing all agreements in order to bring about the successful completion of the planned issues, taking note of the capital increase(s) resulting from any issue carried out through the use of the present delegation, and accordingly modifying the articles of incorporation;

14) decides that in case of the issue of debt instruments, the Executive Management will have all powers to determine their characteristics and notably to decide if they are subordinate or not, to determine their interest rate, duration, fixed or variable redemption price with or without a premium, the impairment provisions according to market conditions, the conditions under which these securities will provide rights to company shares and to modify, during the lifespan of the securities in question, the provisions indicated above in keeping with the applicable formalities;

15) decides that the Executive Management can also apply the issue costs for the shares and marketable securities against the amount of the premiums related to the capital increases, and draw from these premiums the amounts needed to increase the legal reserve to one tenth of the amount of the capital resulting from these increases;

16) entrusts the Executive Management with all powers in order to request the admission to trading on a regulated market for the shares created as part of the present resolution, wherever it recommends;

17) confirms that in accordance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the Company's shares;

18) decides that the present delegation entrusted to the Executive Management is valid for a period of twenty-six months from the present meeting. This delegation cancels, for the remaining duration and for the unused fraction, and replaces the delegation provided by the Combined general meeting on 4 June 2013 in its fifteenth resolution.

### **Eighteenth resolution**

**Delegation of authority to be granted to the Executive Management in order to decide on the issue of shares and/or any other marketable securities giving access to equity while cancelling the pre-emptive subscription right but with the possibility of establishing a priority timeframe, by public offering.**

The General meeting, voting under the quorum and maturity conditions of an extraordinary general meeting, having reviewed the Executive Management's report, the Supervisory board report and the Statutory auditors' report, prepared in compliance with the law and pursuant to the provisions of articles L 225-129 to L 225-129-6, L 225-135, L 225-136, L 225-148 and L 228-91 to L 228-93 of the Commercial code:

1) delegates to the Executive Management, under the control of the company's Supervisory board and of the Executive Management board of the Emile Hermès SARL company, Active Partner, the competence to decide on a capital increase while cancelling the pre-emptive subscription right and by public offer, on one or more occasions, in proportions and at times determined by it, whether in France or abroad and/or on the international market, either in euros or in any other currency or monetary unit established with reference to several currencies, by means of issuing, at no cost or in exchange for payment:

a) new Company ordinary shares,

b) marketable securities governed by articles L 228-91 et seq of the Commercial code that consist of company equity securities giving access, immediately and/or in the future, to other company equity securities and/or giving a right to the allocation of company debt instruments, and/or

c) of marketable securities representing a public claim governed or not by articles L 228-91 et seq of the Commercial code, that give or could give access to equity securities issued by the company, with these marketable securities possibly also providing, as relevant, access to existing equity securities and/or debt instruments of the company issued in application of article L 228-92 sub. 1 of the Commercial code free of charge or against payment and to be paid in cash or set-off against liquid claim due by the Company:

– consisting of equity securities giving access, immediately and/or in the future, to other equity securities or providing a right to the allotment of debt instruments,

– or if they provide access to equity securities that are to be issued;

2) decides that the subscription of shares and other marketable securities indicated in paragraph 1) of this resolution can be carried out either in cash, or by set-off against liquid claim due by the Company;

3) decides that these issues can also be carried out:

– in order to compensate for securities provided to the company as part of a public offer procedure that includes an exchange component in compliance with the provisions of article L 225-148 of the Commercial code,

– after the issue, by one of the companies in which the company directly or indirectly holds, at the time of the issue, more than half of the issued capital, of marketable

securities giving access to company shares or to the marketable securities indicated in b) and c) of paragraph 1 above, under the conditions contained in article L 228-93 of the Commercial code. The issue by the said companies of the aforesaid marketable securities will automatically include, for the benefit of the holders of these marketable securities, a waiver by the company's shareholders of their pre-emptive subscription right to the ordinary shares or marketable securities indicated in b) and c) of paragraph 1 above, to which the marketable securities issued in this manner by the companies would provide access, and to the shares to be issued by the company and to which the marketable securities indicated in b) and c) above would provide access;

4) decides to cancel, as part of the present delegation, the pre-emptive subscription right of the shareholders to the marketable securities that will be issued, with the understanding that the Management can provide the shareholders with a priority subscription right to all or part of the issue, during the timeframe and under the conditions that it determines in keeping with the legal and regulatory provisions. This priority subscription will not result in the creation of negotiable rights, but can, if the executive Management considers this advisable, be exercised on a pre-emptive or free subscription basis. Any securities not subscribed by means of this right can be subject to public investment;

5) decides that the nominal amount of the capital increases possibly carried out immediately and/or in the future pursuant to the present delegation, cannot be greater than 40% of the issued capital on the date of the present meeting, with the capital increases carried out in compliance with the present delegation being applied against the ceiling indicated in paragraph 4 of the seventeenth resolution, or the equivalent of this amount in case of issue in foreign currency or in units of account determined with reference to several currencies, with this amount being increased, if relevant, by the nominal amount of the additional shares having to be issued in order to maintain the rights of the holders of marketable securities that provide access to shares, in compliance with the legal and regulatory provisions or, as relevant, with the contractual provisions resulting in other adjustment cases;

6) further decides that the maximum face value of the debt instruments likely to be issued pursuant to this delegation cannot be greater than one billion euros (€1,000,000,000) (individual cap), or the equivalent of this amount in case of issue in a foreign currency or in units of accounts that with reference to several currencies, with this amount being increased, as relevant, by any redemption premium above the par amount, and the amount of the issues carried out in compliance with this delegation being applied against the common cap indicated in paragraph 6 of the seventeenth resolution, with the option for the debt instruments to be issued in euros, foreign currencies or units of accounts set with reference to several currencies;

7) determines and decides that, insofar as necessary and if relevant, the aforesaid delegation automatically includes, relative to the holders of marketable securities providing access to possibly issued company shares, a waiver by the shareholders of their pre-emptive subscription right to the shares that will be issued upon presentation of these marketable securities;

8) decides that, in case of an immediate or future issue of shares, (i) the issue price for each of the shares issued pursuant to this delegation will at least be equal to the minimum amount required by the laws and regulations in effect at the time of the delegation's usage (currently, the weighted average of the prices of the last three Market sessions on the Euronext Paris regulated market prior to the setting of the subscription price for the capital increase, possibly decreased by a maximum discount of 5%), and that (ii) the issue price of marketable securities giving access to equity will be such that



the sum immediately collected by the company, increased if relevant by the sum likely to be collected by it at a later time, will be at least equal, for each share issued subsequent to the issue of these other marketable securities, to the minimum issue price defined in sub-paragraph (i) above;

9) decides that if the subscriptions by shareholders and the public have not accounted for an entire issue of marketable securities, the Executive Management can use, in the order that it determines, one or the other of the following possibilities:

- limiting the issue to the amount of the subscriptions under the conditions set down by the law in effect at the time of the present delegation's usage;
- freely distributing all or part of the unsubscribed securities between the persons of its choosing;

10) entrusts the Executive Management with the broadest possible powers for implementing the present delegation, notably for the purposes of:

- deciding and determining the dates and methods for the issues as well as the form and characteristics of the marketable securities that will be created, determining the issue conditions and prices, and determining the amounts to be issued,

- determining the possession date, with or without retroactive effect, of the shares being issued and, if relevant, the conditions for their buyback, and suspending, if relevant, the exercise of the rights to receive shares to be issued with a timeframe of no more than three months,

- in case of the issue of marketable securities intended to compensate for securities provided as part of a public offer with an exchange component (French acronym: OPE), determining the list of marketable securities likely to be provided as exchange, setting the issue conditions, the exchange parity and, as relevant, the amount of the cash bonus to be paid but without the price determination provisions of paragraph 8 of this resolution having to apply, and determining the provisions for the issue within the framework of an OPE or all of an alternative purchase or exchange offer, or of a single offer proposing the purchase or exchange of the aforesaid securities against a payment in securities or in cash, or of a takeover bid (French acronym: OPA) or exchange offer as the principal offer, including alternatively an OPE or OPA, or of any other form of public offering that complies with the laws and regulations applicable to the said public offering,

- determining the provisions that will ensure, if relevant, the preservation of the rights of the holders of marketable securities giving future access to the issued capital, in compliance with the legal and regulatory provisions,

- generally taking all useful steps, carrying out all necessary formalities, signing all agreements in order to bring about the successful completion of the planned issues, taking note of the capital increase(s) resulting from any issue carried out through the use of the present delegation, and accordingly modifying the articles of incorporation;

11) decides that in case of the issue of debt instruments, the Executive Management will have all powers to determine their characteristics and notably to decide if they are subordinate or not, to determine their interest rate, duration, fixed or variable redemption price with or without a premium, the impairment provisions according to market conditions, the conditions under which these securities will provide rights to company shares and to modify, during the lifespan of the securities in question, the provisions indicated above in keeping with the applicable formalities;

12) decides that the Executive Management can also apply the issue costs for the shares and marketable securities against the amount of the premiums related to the capital increases, and draw from these premiums the amounts needed to increase the legal reserve to one tenth of the amount of the capital resulting from these increases;

13) entrusts the Executive Management with all powers in order to request the admission to trading on a regulated market for the shares created as part of the present resolution, wherever it recommends;

14) confirms that in accordance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the Company's shares;

15) decides that the present delegation entrusted to the Executive Management is valid for a period of twenty-six months from the present meeting. This delegation cancels, for the remaining duration and for the unused fraction, and replaces the delegation provided by the Combined general meeting on 4 June 2013 in its sixteenth resolution.

### **Nineteenth resolution**

**Delegation of authority to be granted to the Executive Management in order to decide on the increase of the issued capital by issuing of shares and/or any other marketable securities giving access to equity, reserved for the members of a company or group savings plan, while continuing the pre-emptive subscription right.**

The General Meeting, voting under the quorum and majority conditions of an extraordinary general meeting, having reviewed the Management report and the Statutory auditors' special report, in compliance with the legal provisions, and notably with articles L 225-129 to L 225-129-6 and L 225-138-1 of the Code du Commerce and L 3332-1 et seq of the Code du Travail:

– delegates to the Executive Management the competence to decide to increase the issued capital on one or more occasions and solely on the basis of its decisions, if relevant in separate tranches, within the limit of one percent (1%) of the issued capital on the date of this Meeting (without considering the consequences on the capital amount of adjustments made in order to protect the holders of rights attached to marketable securities giving access to the capital), through the issue of shares and/or marketable securities giving access to the company capital that are reserved for members of one or more company or group savings plans that might be set up within the group consisting of the company and the French or foreign companies related to it under the conditions of article L 225-180 of the Commercial code and of article L 3344-1 of the Labour Code;

– decides that the amount of the capital increases resulting from the present delegation will be applied against the common cap indicated in paragraph 4 of the seventeenth resolution;

– decides that this delegation results in the cancellation of the pre-emptive subscription right of the shareholders for the benefit of the said company or group savings plan members, relative to the equity securities and marketable securities issued pursuant to this resolution, and in a waiver of their pre-emptive subscription right to the shares to which the marketable securities issued on the basis of this delegation could provide a right;

– decides, in application of article L 3332-19 of the Labour Code, to set a discount of 20% of the average of the listed prices of the company's shares on the Euronext Paris regulated market during the 20 Market sessions preceding the day of the decision determining the opening date of the subscriptions.

However, the Meeting authorises the executive Management to replace all or part of the discount with the free share distribution or marketable securities providing access to the company capital, to reduce or not grant a discount, and to do so within the legal or regulatory limits;

- decides that the Management can, using the authorisation provided in the fifteenth resolution, and within the limits established by article L 3332-21 of the Labour Code, carry out the allocation of free shares or marketable securities giving access to the company capital as part of the matching contribution;
- confirms that in accordance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the Company's shares;
- decides that this authorisation will be valid for 26 months as of the this date;
- grants the broadest possible powers to the Executive Management, with the right to subdelegate, in order to implement this delegation and notably:
  - ◆ to determine all of the conditions and provisions for the future operation(s),
  - ◆ to determine the conditions and provisions for the issues performed pursuant to this authorisation, notably deciding on the amounts proposed for subscription, determining, under the legal conditions, the list of companies whose company savings plan members can subscribe for the issued shares or marketable securities giving access to equity, deciding that the subscriptions can be carried out directly or through company mutual funds or other structures or entities allowed by the applicable legal or regulatory provisions, determining the conditions, notably with regard to seniority, that will have to be met by the beneficiaries of the capital increase, determining the issue prices, dates, timeframes, provisions and conditions for the subscription, payment, delivery and possession of the shares or marketable securities giving access to the company equity,
  - ◆ in case of the allocation of free shares or marketable securities giving access to equity, to determine the number of issued shares or marketable securities giving access to equity, the number to be allocated to each beneficiary, and to determine the dates, timeframes, provisions and conditions for the allocation of these shares or marketable securities giving access to equity, within the applicable legal and regulatory provisions, and notably to choose to totally or partially replace the allocation of these shares or marketable securities giving access to equity with the discounts indicated above, or to apply the equivalent of these shares against the total amount of the matching contribution, or to combine these two possibilities;
  - ◆ to charge, based solely on these decisions and after each capital increase, the expenses for the capital increases against the amount of the related premiums and to draw from this amount any sums necessary in order to increase the legal reserve to one tenth of the new capital,
  - ◆ to carry out all actions and formalities needed in order to bring about and take note of the capital increase(s) performed pursuant to the present authorisation, to notably modify the articles of incorporation accordingly and, more generally, to do whatever is necessary.

This delegation cancels, for the remaining duration, and replaces the authorisation provided by the Combined general meeting on 4 June 2013 in its seventeenth resolution.

### **Twentieth resolution**

**Delegation of authority to be granted to the Executive Management in order to decide on the issue of shares and/or any other marketable securities giving access to equity while cancelling the pre-emptive subscription, by private investment according to article L 411-2, II of the Monetary and Financial Code.**

The General meeting, voting under the quorum and maturity conditions of an extraordinary general meeting, having reviewed the Executive Management's report, the Supervisory board report and the Statutory auditors' report, prepared in compliance with the law and pursuant to the provisions of articles L 225-129 to L 225-129-6, L

225-135, L 225-136, and L 228-91 to L 228-93 of the Commercial code:

1) delegates to the Executive Management, under the control of the company's Supervisory board and of the Management board of the company Emile Hermès SARL, Active Partner, the competence to decide on a capital increase while cancelling the pre-emptive subscription right and by public offer indicated in article L 411-2, II of the Monetary and Financial Code, on one or more occasions, in proportions and at times determined by it, whether in France or abroad and/or on the international market, either in euros or in any other currency or monetary unit established with reference to several currencies, by means of issuing, at no cost or in exchange for payment:

a) new Company ordinary shares,

b) marketable securities governed by articles L 228-91 et seq of the Commercial code, which are company equity securities providing access, immediately and/or in the future, to other company equity securities and/or that provide access to an allocation of the company's debt instruments, and/or

c) marketable securities representing a public claim, governed or not by articles L 228-91 et seq of the Commercial code, that provide access or that could provide access to equity securities that would be issued by the company, with these marketable securities providing access, where relevant, to existing equity securities and/or company debt instruments;

2) decides that the subscription of shares and other marketable securities indicated in paragraph 1) of this resolution can be carried out either in cash, or by set-off against liquid claim due by the Company, or by capitalisation of reserves, earnings or share premiums;

3) decides that these issues can also be carried out:

– after the issue, by one of the companies in which the company directly or indirectly holds, at the time of the issue, more than half of the issued capital, of marketable securities giving access to company shares or to the marketable securities indicated in b) and c) of paragraph 1 above, under the conditions contained in article L 228-93 of the Commercial code. The issue by the said companies of the aforesaid marketable securities will automatically include, for the benefit of the holders of these marketable securities, a waiver by the company's shareholders of their pre-emptive subscription right to the ordinary shares or marketable securities indicated in b) and c) of paragraph 1 above, to which the marketable securities issued in this manner by the companies would provide access, and to the shares to be issued by the company and to which the marketable securities indicated in b) and c) above would provide access;

4) decides to terminate, as part of the delegation, the pre-emptive subscription right of the shareholders relative to the marketable securities that will be issued;

5) decides that the nominal amount of the capital increases possibly carried out immediately and/or in the future pursuant to this delegation, cannot be greater than the limit indicated in the regulations applicable on the issue date (currently 20% of the capital per year) (individual cap), with the capital increases carried out in compliance with this delegation being applied against the cap indicated in paragraph 4 of the fifteenth resolution, or the equivalent of this amount in case of issue in foreign currency or in units of account set with reference to several currencies, with this amount being increased, if relevant, by the nominal amount of the additional shares having to be issued in order to maintain the rights of the holders of marketable securities that provide access to shares, in compliance with the legal and regulatory provisions or, as relevant, with the contractual provisions resulting in other adjustment cases;

6) decides that the face value of the debt instruments likely to be issued pursuant to this delegation cannot be greater than one billion euros (€1,000,000,000) (individual cap), or

the equivalent of this amount in case of issue in a foreign currency or in units of accounts that with reference to several currencies, with this amount being increased, as relevant, by any redemption premium above the par amount, and the amount of the issues carried out in compliance with this delegation being applied against the common cap indicated in paragraph 6 of the seventeenth resolution, with the option for the debt instruments to be issued in euros, foreign currencies or units of accounts set with reference to several currencies;

7) determines and decides that, insofar as necessary and if relevant, the aforesaid delegation automatically includes, relative to the holders of marketable securities providing access to possibly issued company shares, a waiver by the shareholders of their pre-emptive subscription right to the shares that will be issued upon presentation of these marketable securities;

8) decides that, in case of an immediate or future issue of shares, (i) the issue price for each of the shares issued pursuant to this delegation will at least be equal to the minimum amount required by the laws and regulations in effect at the time of the delegation's usage (currently, the weighted average of the prices of the last three Market sessions on the Euronext Paris regulated market prior to the setting of the subscription price for the capital increase, possibly decreased by a maximum discount of 5%), and that (ii) the issue price of marketable securities giving access to equity will be such that the sum immediately collected by the company, increased if relevant by the sum likely to be collected by it at a later time, will be at least equal, for each share issued subsequent to the issue of these other marketable securities, to the minimum issue price defined in sub-paragraph (i) above;

9) decides that if the subscriptions have not accounted for an entire issue of marketable securities, the Executive Management can use, in the order that it determines, one or the other of the following possibilities:

- limiting the issue to the amount of the subscriptions under the conditions set down by the law in effect at the time of the present delegation's usage;
- freely distributing all or part of the unsubscribed securities between the persons of its choosing;

10) entrusts the Executive Management with the broadest possible powers for implementing the present delegation, notably for the purposes of:

- deciding and determining the dates and methods for the issues as well as the form and characteristics of the marketable securities that will be created, determining the issue conditions and prices, and determining the amounts to be issued,
- determining the possession date, with or without retroactive effect, of the shares being issued and, if relevant, the conditions for their buyback, and suspending, if relevant, the exercise of the rights to receive shares to be issued with a timeframe of no more than three months,
- determining the provisions that will ensure, if relevant, the preservation of the rights of the holders of marketable securities giving future access to the issued capital, in compliance with the legal and regulatory provisions,
- generally taking all useful steps, carrying out all necessary formalities, signing all agreements in order to bring about the successful completion of the planned issues, taking note of the capital increase(s) resulting from any issue carried out through the use of the present delegation, and accordingly modifying the articles of incorporation;

11) decides that in case of the issue of debt instruments, the Executive Management will have all powers to determine their characteristics and notably to decide if they are subordinate or not, to determine their interest rate, duration, fixed or variable redemption price with or without a premium, the impairment provisions according to

market conditions, the conditions under which these securities will provide rights to company shares and to modify, during the lifespan of the securities in question, the provisions indicated above in keeping with the applicable formalities;

12) decides that the Executive Management can also apply the issue costs for the shares and marketable securities against the amount of the premiums related to the capital increases, and draw from these premiums the amounts needed to increase the legal reserve to one tenth of the amount of the capital resulting from these increases;

13) entrusts the Executive Management with all powers in order to request the admission to trading on a regulated market for the shares created as part of the present resolution, wherever it recommends;

14) confirms that in accordance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the Company's shares;

15) decides that the present delegation entrusted to the Executive Management is valid for a period of twenty-six months from the present meeting.

### **Twenty-first resolution**

#### **Delegation of authority to be granted to the Executive Management in order to decide on the issue of shares and/or marketable securities giving access to equity, with cancellation of the pre-emptive subscription right, in order to compensate for contributions in kind granted to the company and involving equity securities or marketable securities giving access to equity**

The General Meeting, voting under the quorum and majority conditions of an extraordinary general meeting, having reviewed the Executive Management's report, the Supervisory board report and the Statutory auditors' report, prepared in compliance with the law and pursuant to the provisions of articles L 225-129-2 et seq, notably article L 225-147 of the Commercial code:

1) delegates to the Executive Management, under the control of the Company's Supervisory board and of the Management board of the company Emile Hermès SARL, Active Partner, the competence in order to carry out, based on a report from a contributions auditor, on one or more occasions, in the proportions and at the times that it decides, both in France and abroad and/or on the international market, whether in euros or in any other currency or monetary unit set with reference to several currencies, in order to compensate for contributions in kind granted to the company and consisting of equity securities or marketable securities giving access to equity, when the provisions of article L 225-148 of the Commercial code are not applicable, to the issue of:

a) new Company ordinary shares,

b) marketable securities governed by articles L 228-91 et seq of the Commercial code, which are company equity securities providing access, immediately and/or in the future, to other company equity securities and/or that provide access to an allocation of the company's debt instruments, and/or

c) marketable securities representing a public claim, governed or not by articles L 228-91 et seq of the Commercial code, that provide access or that could provide access to equity securities that would be issued by the company, with these marketable securities providing access, where relevant, to existing equity securities and/or company debt instruments;

2) decides to terminate, as part of the delegation, the pre-emptive subscription right of the shareholders relative to the marketable securities that will be issued;

3) decides that the nominal amount of the capital increases possibly carried out immediately and/or in the future pursuant to this delegation, cannot be greater than 10%

of the issued capital on the date of this meeting (individual cap), with the capital increases carried out in compliance with this delegation being applied against the common cap indicated in paragraph 4 of the seventeenth resolution, or the equivalent of this amount in case of issue in foreign currency or in units of account determined with reference to several currencies;

4) further decides that the maximum face value of the debt instruments likely to be issued pursuant to this delegation cannot be greater than one billion euros (€1,000,000,000) (individual cap), or the equivalent of this amount in case of issue in a foreign currency or in units of accounts that with reference to several currencies, with this amount being increased, as relevant, by any redemption premium above the par amount, and the amount of the issues carried out in compliance with this delegation being applied against the common cap indicated in paragraph 6 of the seventeenth resolution, with the option for the debt instruments to be issued in euros, foreign currencies or units of accounts set with reference to several currencies;

5) determines and decides that, insofar as necessary and if relevant, the aforesaid delegation automatically includes, relative to the holders of marketable securities providing access to possibly issued company shares, a waiver by the shareholders of their pre-emptive subscription right to the shares that will be issued upon presentation of these marketable securities;

6) entrusts the Executive Management with the broadest possible powers for implementing the present delegation, notably for the purposes of:

- deciding and determining the dates and provisions for the issues as well as the form and characteristics of the marketable securities to be created in compensation for the contributions, ruling on the report from the statutory auditor(s), approving the contributions and, with regard to the said contributions, confirming their fulfilment, determining the conditions and prices for the issues, determining the amounts to be issued,

- determining the possession date, with or without retroactive effect, of the shares being issued in compensation of the contributions and, if relevant, the conditions for their buyback, and suspending, if relevant, the exercise date of the rights to receive shares to be issued with a timeframe of no more than three months,

- determining the provisions that will ensure, if relevant, the preservation of the rights of the holders of marketable securities giving future access to the issued capital, in compliance with the legal and regulatory provisions,

- generally taking all useful steps, carrying out all necessary formalities, signing all agreements in order to bring about the successful completion of the planned issues, taking note of the capital increase(s) resulting from any issue carried out through the use of the present delegation, and accordingly modifying the articles of incorporation;

7) decides that the Executive Management can also apply the issue costs for the shares and marketable securities against the amount of the premiums related to the capital increases, and draw from these premiums the amounts needed to increase the legal reserve to one tenth of the amount of the capital resulting from these increases;

8) entrusts the Executive Management with all powers in order to request the admission to trading on a regulated market for the shares created as part of the present resolution, wherever it recommends;

9) confirms that in accordance with article L 233-32 of the Commercial code, this delegation can be implemented during a period of a public offer involving the Company's shares;

10) decides that the present delegation entrusted to the Executive Management is valid for a period of twenty-six months from the present meeting.

**Twenty-second 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.



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## Summary presentation of the company's situation during the elapsed fiscal year

### **Solid improvement of sales and earnings**

The turnover is €4,119 million, an increase of 10%, or 11% with constant exchange rates. The operating income is equal to €1,299 million (31.5% of sales), an increase of 7%. As in 2013, the net profitability is equal to 21% of sales.

### **Business per geographical zone and trade**

(Data with constant exchange rates unless indicated otherwise)

The strong turnover increase seen in 2014 in the group's stores (+12.7%) results from a solid improvement in all of the geographical zones. Hermès continued the qualitative development of its distribution network with the inauguration, in September, of the first Maison Hermès in Shanghai, China, and the renovation or extension of more than 15 branches.

All geographical zones posted a clear improvement

America (+15%) is confirming its development momentum. In the United States, the Atlanta store was enlarged and, in Brazil, the group took over the São Paulo concession. Japan (+13%) posted an excellent year, continuing the positive trend recorded over the first nine months. Asia excluding Japan (+13%) posted a fine performance in a context marked by recent events in Hong Kong and the market's overall slowdown in China. Despite a difficult economic environment, Europe (+7%) continued its improvement.

All business lines posted growth, except Watchmaking.

The remarkable growth of Leather Goods-Saddlery (+15%), for which the demand remains very strong, was supported by the ramp-up of the production capacities of the two new sites in Isère and Charente. The construction projects for two plants were launched in the Franche-Comté region.

The Clothing and Accessories division (+12%) is notably benefiting from the success of the latest collections of prêt-à-porter and fashion accessories, and in particular from the footwear dynamism.

The Silk & Textiles business line (+8%) continues to enhance its collections with new formats and the usage of exceptional materials. A new online sales and discovery site for Hermès silk *lamaisondescarres.com* was successfully launched in September.

Perfumes (+10%) are continuing their development. New launches were carried with two lines, *Terre d'Hermès Eau très fraîche* and *Jour d'Hermès Absolu*, and were very well received.

Watchmaking (-11%) is still being affected by the general decline of the watch industry, particularly in China.

The other Hermès trades (+15%) continue to improve. The Jewellery division, that presented its new fine jewellery collection at the store at 24 Faubourg Saint-Honoré in Paris, is contributing strongly to this dynamism, thanks to the success of the latest gold collections.

### **Continuing net profitability of the sales at 21%**

The operating income is equal to €1,299 million and the operational profitability reached 31.5% of sales, a slight decline relative to the historical high reached last year (32.4%), as a result of the negative impact of exchange rates.

At €859 million, the consolidated net earnings are up by 9%, thereby also maintaining the net profitability at 21% of sales.

The internal financing capacity (€1,049 million) made it possible to finance all of the operational and financial investments (€322 million), the dividend distribution (€285 million) and the working capital requirements related to the business (€105 million). The net cash increased strongly to €1,422 million to 31 December 2014, versus €1,022 million on 31 December 2013.

In 2014, Hermès International bought back 38,396 shares for €10 million, outside of transactions as part of the liquidity contract.

On 2 September 2014, the companies Hermès International (Hermès) and Moët Hennessy - Louis Vuitton (LVMH) signed a settlement agreement described in the Hermès group press release of 12 February 2015, with the implementation provisions being explained in the LVMH press release of 3 November 2014.

### **Personnel increase**

The Hermès group created nearly 700 new jobs, including more than 400 in France, primarily in the production units and sales teams. At the end of 2014, the group had 11,718 employees, including 7,051 in France.

### **Prospects**

Despite economic, geopolitical and monetary uncertainties around the world, the objective for increasing the turnover at constant rates is in the area of 8%.

Thanks to the success of its unique company model, Hermès will continue its long-term development strategy based on creativity and controlling its know-how.

Faithful to its Parisian roots, Hermès invites us to look at 2015 through the eyes of a loafer. A loafer is capable of wandering off and looking at the world with wide-open eyes: a chance encounter, the joy of discovery, and even the benefits of a little break.

## Main consolidated data

In millions of euros	2014	2013	2012	2011	2010
Revenue	<b>4,118.6</b>	3,754.8	3 484,1	2 841,2	2,400.8
Operating results	<b>1,299.3</b>	1,218.0	1,118.6	885,2	668.2
Net income attributable to owners of the parent	<b>858.8</b>	790.3	739,9	594,3	421.7
Operating cash flows	<b>1,048.7</b>	1,015.9	884,8	722,8	571.5
Investments (excluding financial investments)	<b>322.2</b>	232.4	370.0	214.4	153.8
Shareholders equity – Group share <sup>(1)</sup>	<b>3,449.0</b>	2,825.6	2 344,4	2 312,8	2 150,3
Net cash position	<b>1,421.6</b>	1,022.0	686,1	1 038,3	828,5
Restated net cash <sup>(2)</sup>	<b>1,493.6</b>	1,091.0	721.0	1,044.2	950,1
Created economic value <sup>(3)</sup>	<b>722.9</b>	679,1	628.5	463.8	332.7
Return on capital employed (ROCE) <sup>(4)</sup>	<b>39%</b>	41%	46%	42%	32%
Personnel (number of people)	<b>11,718</b>	11,037	10,118	9,081	8,366

(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 (excluding financial result and exceptional elements), net of operational tax, and the amount of average capital used during the year, multiplied by the weighted average cost of the group's capital.

(4) Corresponds with the adjusted operating result (excluding financial result and exceptional elements), net of operational tax, over the amount of the average capital used during the year.

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## 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.

Our responsibility is to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements and commitments.

Under the provisions of Article R 226-2 of the Commercial code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R 226-2 of the Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

### I. AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

#### *Agreements and commitments authorised during the year*

In accordance with Article L 226-10 of the Commercial Code, we were informed of the following agreements and commitments authorised by the Supervisory Board.

#### **a) Guarantees granted**

Persons concerned: subsidiaries of Hermès International, directly or indirectly held at more than 50%.

Nature, purpose and provisions: on 22 January 2014, the Supervisory Board decided to renew the authorisation given to Executive Management to grant endorsements and guarantees to subsidiaries in which your company directly or indirectly holds more than 50% of the share capital, throughout 2014, subject to a total net amount of €10,000,000 for all commitments and a net amount of €3,000,000 for each individual commitment.

No guarantees granted within the framework of this authorisation were called upon in 2013.

#### **b) Medical expenses and provident fund for the benefit of a corporate officer**

Person concerned: Mr. Axel Dumas, Executive Chairman of Hermès International.

Nature, purpose and provisions: On 19 March 2014, the 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 employees and corporate officers.

#### **c) Amendments to the trademark licence agreements**

Persons concerned: Hermès Sellier, Comptoir Nouveau de la Parfumerie and La Montre Hermès, companies more than 10% directly or indirectly held by Hermès International.

Nature, purpose and provisions: On 28 August 2014, the Supervisory board authorised the signing of three amendments to the trademark licence agreements between Hermès International and:

- Hermès sellier,
- Comptoir Nouveau de la Parfumerie,
- La Montre Hermès.

With these amendments, all new trademarks filed by Hermès International in the product classes corresponding with the activities of these three subsidiaries will be automatically included in the contract. This integration will be duly recorded by a confirming document, and the non-substantial modifications to the said licence agreements can occur without having to be the subject of a systematic amendment.

#### **d) Compensation of members of special committees**

Persons concerned:

- Mr. Maurice de Kervénoaël;
- Mrs. Monique Cohen;
- Mr. Charles-Éric Bauer;
- Mr. Matthieu Dumas;
- Mr. Renaud Mommeja;
- Mr. Robert Peugeot;
- Mrs. Dominique Sénéquier;
- Mrs. Florence Woerth.

Nature, purpose and provisions: The Supervisory board meeting on 20 November 2013 authorised a new method for the distribution of directors' fees. The compensation of the members of the as of FY 2014 will be the following:

	Audit Committee		Compensation, Appointments and Governance Committee	
	Chairman	Members	Chairman	Members
Fixed annual amount	€20,000	€4,000	€20,000	€4,000
Maximum variable amount <sup>(1)</sup>		€6,000		€6,000
Maximum total	€20,000	€10,000	€20,000	€10,000

1) Variable part calculated according to the attendance of the members.

For FY 2014, the total amount owed by Hermès International with regard to their duties was equal to €94,300 for all members of these two special committees.

## II. AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

### *Agreements and commitments approved in previous years which were implemented during the year*

In accordance with Article R 226-2 of the Commercial Code, we have been informed that the following agreements and commitments, approved by the General Meeting in previous years, remained in effect during the year.

#### **a) Service agreement entered into with Émile Hermès SARL**

Person concerned: Emile Hermès SARL, Executive Chairman of Hermès International.  
Nature, purpose and provisions: At its meetings of 23 March 2005 and 14 September 2005, the Supervisory Board authorised Hermès International to enter into a service agreement with Emile Hermès SARL for the provision of routine legal and financial services. At its meeting of 1 September 2007, the Supervisory Board authorised the signature of an amendment to add secretarial services to this agreement. At its meetings of 25 January 2012 and 30 August 2012, the Supervisory Board authorised two amendments to this agreement to alter the price of the secretarial services and to exceptionally provide for share ownership monitoring.  
Hermès International billed €202,378 for services provided under the terms of this agreement in 2014.

#### **b) Design mission contract with the company RDAI**

Person concerned: Sandrine Brekke, owner of more than 10% of RDAI and member of the Executive Management of Emile Hermès SARL, Executive Chairman.  
Nature, purpose and provisions: At its meetings of 20 March 2003 and 15 September 2004, the Supervisory Board authorised an agreement and its amendment between Hermès International and the architectural firm RDAI to undertake an assignment to design Hermès stores. Hermès International paid €86,000 in fees in respect of 2014.

#### **c) Trademark licence agreements**

PERSONS CONCERNED (ON THE DAY OF THE AGREEMENT'S APPROVAL):

- Hermès International, direct or indirect shareholder with an interest of 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 (until 3 June 2014);
- For Hermès Sellier: Mr. Eric 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, Executive Chairman and legal representative of Hermès International and Executive Chairman of Hermès Horizons;
- for La Montre Hermès: Mr. Patrick Thomas, Executive Chairman of Hermès International and Board member of La Montre Hermès (until 31 January 2014) and Mr. Axel Dumas, Executive Chairman of Hermès International and Board member of La Montre Hermès (as of 31 January 2014);
- For Faubourg Italia: Mr. Patrick Thomas, Executive Chairman of Hermès International and Board member of Faubourg Italia.

Nature, purpose and provisions: amendments to the trademark licence agreements were signed in 2011 by Hermès International and Hermès Sellier, Hermès Horizons, Comptoir Nouveau de la Parfumerie, La Montre Hermès and in 2012 with Faubourg Italia.

The current trademark licence agreements in effect provide for the following royalties for a period of 10 years:

Company	Amount of the fees for financial year 2014
Hermès Sellier	€87,467,497
Hermès Horizons	€171,916
Comptoir Nouveau de la Parfumerie	€10,726,246
La Montre Hermès	€3,247,173
Faubourg Italia	€131,612

#### **d) Commitments for the benefit of an Executive Corporate officer**

Person concerned: Mr. Axel Dumas, Executive Chairman of Hermès International.

Nature, purpose and provisions: on 4 June 2013, your Supervisory board made the following commitments with regard to the compensation for Mr. Axel Dumas:

- the benefit of the supplemental defined-contribution pension plan established for all of the personnel of the Group's French companies.
- the benefit of the additional retirement plan set up in 1991 for the benefit of the company's senior managers. As a fundamental condition of the pension regulations, in order to be eligible for the scheme, beneficiaries must have reached the end of their professional career with the Company, have at least ten years of seniority, and be eligible to draw pension benefits under the basic state Social Security regime.

The annual benefit under this plan will be calculated according to the seniority and annual compensation. Representing a percentage of the compensation per year of seniority, these benefit cannot exceed eight times the Social security ceiling.

- In the event that his appointment as Executive Chairman is terminated, the Company has also agreed to pay Mr. Axel Dumas an amount equal to twenty-four months of compensation (sum authorised by the articles of association and supplemental compensation). This commitment had been made subject to 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 amount will be subject to termination resulting:

- either from a decision of the Executive Chairman by reason of a change of control of the Company, the replacement of the Executive Chairman of Emile Hermès SARL, or a change in the Company's strategy;
- or from a decision taken by the Company.

#### **e) Non-competition commitment of a former corporate officer**

Person concerned: Mr. Patrick Thomas.

Nature, purpose and provisions: At its meeting on 20 November 2013, your Supervisory board authorised the signing of a non-competition commitment according to the provisions presented below:

For a period of ten years, Patrick Thomas undertakes not to carry out, whether personally or on behalf of third parties, any activity that competes with that of Hermès International Group, and in particular not to collaborate, in any capacity whatsoever and in any form whatsoever, with 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 of Patrick Thomas from the Group and is compensated in the amount of €966,300 per year for four years, on 1 February 2014, 2015, 2016 and 2017. In respect of FY 2014, the amount paid by Hermès International is equal to €966,300.

**f) Employment contract of a Supervisory board member**

Person concerned: Mrs. Julie Guerrand.

Nature, purpose and provisions: Mrs. Julie Guerrand has had an employment contract within the framework of her duties as Director Corporate Development. This agreement was authorised by the Supervisory Board at its meeting on 3 March 2011. On 1 October 2014, her employment contract was transferred to the Gordon Choisy Company, in which she is serving as Finance and Organisation Deputy Managing Director for the Hermès Cuir Précieux division.

Drafted in Paris and Neuilly-sur-Seine on 10 April 2015

Statutory auditors

PricewaterhouseCoopers Audit  
Christine Bouvry

Didier Kling & Associés  
Christophe Bonte                  Didier Kling



As of the Meeting invitation and until the fifth day prior to the meeting, i.e. until Thursday 28 May 2015, 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 of 2 June 2015

I the undersigned

Name -----

First name -----

Address -----

-----

owner of: ----- registered share(s)

----- bearer share(s) registered in an account

with ----- (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 ----- 2015

*(1) An account registration certificate must be enclosed.*

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**REQUEST FOR THE MAILING OF THE ANNUAL REPORT**

Combined General Meeting of 2 June 2015

I the undersigned

Name -----

First name -----

Address -----

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request the mailing, to the above address,

of the 2014 annual report - Volume 1 (Group Presentation - Activity report)

or/and  of the 2014 annual report – Volume 2 (Other information from the shelf-registration 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 ----- 2015