

HERMÈS



NOTICE OF MEETING 2018

General Meeting Tuesday 5 June 2018
at 9.30 AM

Palais des Congrès, Grand Amphithéâtre,
2 avenue de la Porte Maillot à Paris (17th)

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The digital version of this document conforms to web content accessibility standards, WCAG 2.0, and is certified ISO 14289-1. Its design enables people with motor disabilities to browse through this PDF using keyboard commands. It is accessible to the partially sighted and has been edited to be voiced by screen readers in its entirety from any digital medium. It also includes an integrated speech recording which makes reading easier. Finally, it has been exhaustively tried and tested by an unsighted expert.

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 5 June 2018
at 9.30 AM (reception open as of 8 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 9.30 AM, we recommend that you arrive early (as of 8 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 5 June, 2018 (the Registration document, 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 55.

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

The Executive Management

AGENDA OF THE GENERAL MEETING

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 2017 and on the Company's activity for the financial year.
- ◆ On the management of the Group and the consolidated financial statements for the year ended 31 December 2017.
- ◆ On the resolutions relating to ordinary business.

Supervisory Board's report on corporate governance

Supervisory Board's report to the Combined General Meeting of 5 June 2018

Statutory Auditors' reports

- ◆ On the annual financial statements.
- ◆ On the consolidated financial statements.
- ◆ On the related-party agreements and commitments.

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 THE RESOLUTIONS RELATING TO ORDINARY BUSINESS

First resolution

Approval of the parent company financial statements.

Second resolution

Approval of the consolidated financial statements.

Third resolution

Executive Management discharge.

Fourth resolution

Allocation of net income – Distribution of an ordinary dividend and of an exceptional dividend.

Fifth resolution

Approval of related-party agreements and commitments.

Sixth resolution

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

Seventh resolution

Notice regarding elements of compensation due or awarded for the financial year ended 31 December 2017 to Mr Axel Dumas, Executive Chairman.

Eighth resolution

Notice regarding elements of compensation due or awarded for the financial year ended 31 December 2017 to Émile Hermès SARL, Executive Chairman.

Ninth resolution

Re-election of Mr Mattieu Dumas as Supervisory Board member for a term of three years.

Tenth resolution

Re-election of Mr Blaise Guerrand as Supervisory Board member for a term of three years.

Eleventh resolution

Re-election of Mrs Olympia Guerrand as Supervisory Board member for a term of three years.

Twelfth resolution

Re-election of Mr Robert Peugeot as Supervisory Board member for a term of one year.

EXTRAORDINARY BUSINESS

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1. PRESENTATION OF REPORTS TO BE SUBMITTED TO THE EXTRAORDINARY GENERAL MEETING

Executive Management's report

- ♦ On the resolutions relating to extraordinary business.

Supervisory Board's report

Statutory Auditors' report

- ♦ On the capital decrease by cancellation of treasury shares (thirteenth resolution).

2. VOTE ON THE RESOLUTIONS RELATING TO EXTRAORDINARY BUSINESS

Thirteenth resolution

Authorisation granted to Executive Management for the effect of reducing the share capital by cancellation of all or part of the treasury shares held by the Company (Article L. 225-209 of the French Commercial Code (*Code de commerce*)) – General Cancellation Programme.

Fourteenth resolution

Delegation of authority to carry out the formalities related to the General Meeting.

1 THE HERMÈS GROUP IN 2017

HIGHLIGHTS FOR 2017

RECORD PROFITABILITY IN 2017

The operating margin reaches an all-time high of 34.6% of sales

Recurring operating income rises +13%

At the meeting of the Supervisory Board on 20 March 2018, Executive Management presented the audited financial statements for 2017. The Group's consolidated revenue amounted to €5,549 million, up +9% at constant exchange rates and +7% at current exchange rates. Operating income, up 13%, amounted to €1,922 million (34.6% of sales) and net profit increased 11% to €1,221 million.

Axel Dumas, Executive Chairman of Hermès, said: *"Hermès achieves a new year of historic results, thanks to the quality of our know-how, the success of our creations and especially the incredible commitment of the women and men of Hermès that I thank particularly."*

SALES BY GEOGRAPHICAL AREA AND BY BUSINESS LINE

(At constant exchange rates unless otherwise indicated)

The significant rise in revenues recorded in 2017 in Group stores (+9%) was driven by growth in all the geographical areas. Hermès continued to improve the quality of its distribution network, completing renovation and extension work on almost twenty stores.

Hermès deployed its new website in Canada and then the USA. It will be launched in Europe in the first half of 2018, then in China at the end of the year.

ALL THE GEOGRAPHICAL AREAS POSTED GROWTH IN 2017

Asia excluding Japan (+11%) pursued its upward curve with a positive outlook in mainland China and in South Asian countries. The context is improving in Hong Kong and Macao. The region particularly extended and renovated the Sogo Fuxing store in Taiwan, Kowloon Elements in Hong Kong and the Kuala Lumpur store in Malaysia.

Japan (+4%) despite a high comparison basis, recorded a sustained increase thanks to its selective distribution network.

America (+8%) achieved a good year in particular in the United States. The stores in Toronto and Palm Beach were renovated and extended at the end of the year. Brazil benefited from the opening of the new São Paulo Iguatemi store in June.

Europe (+8%) confirmed an outstanding performance in the Group stores. This was particularly due to the success of the stores opened or extended on Sloane Street in London, in Munich and Copenhagen. France in particular (+5%), whose store on avenue George V is being renovated, performed well.

SALES BY SECTOR AT THE END OF DECEMBER (AT CONSTANT EXCHANGE RATES UNLESS OTHERWISE INDICATED)

All sectors recorded growth, with a remarkable performance of the Ready-to-Wear and Accessories, Perfumes and Other sectors.

Growth in Leather Goods and Saddlery (+10%) is in line with the annual growth target in production capacities, in order to meet the strong demand for both iconic bags and the other models such as the *Constance*, *Halzan*, *Lindy* and *Verrou* bags. Development projects continue with the *Manufacture de l'Allan*, and the launch of the *maroquinerie de Guyenne* and *de Montereau* which are likely to be completed by the year 2020.

The Ready-to-Wear and Accessories division (+9%) confirmed its great performance, driven by the success of the ready-to-wear collections, fashion accessories and particularly shoes.

The Silk and Textiles business line (+6%), gaining from sustained demand, the diversity of materials and the wealth of creations, pursued its growth.

The Perfumes division (+10%) posted strong growth, particularly due to the successful launch of *Twilly d'Hermès*.

The Watches business line (+1%) recorded a slight increase, with good sales in Group stores. The watches offer presented for the first time in Geneva at the *Salon International de la Haute Horlogerie (SIHH)*.

Other Hermès business lines (+11%) which encompass Jewellery, Art of Living and Hermès Table Arts, continued their development.

THE OPERATING MARGIN REACHED AN ALL-TIME HIGH OF 34.6% OF SALES

Recurring operating income increased 13% to €1,922 million compared to €1,697 million in 2016. The operating margin (34.6% of sales) is up 2.0 points from 2016. This outstanding result is driven mainly by the success of the collections, the very high level of productivity at the production sites and the positive impact of foreign exchange hedges from 2016.

Consolidated net profit (Group share) increased 11% to €1,221 million, representing an all-time high of 22% of sales.

Operating cash flows reached €1,598 million, up 11%, enabling the Group to finance all capital expenditure (€265 million), the ordinary dividend distribution (€399 million) and share redemptions (€187 million). After adjustment for the reduction in working capital requirements (€25 million), the IFRS net cash position gained almost €600 million to reach €2,912 million as at 31 December 2017.

In 2017, Hermès International redeemed 433,242 shares for €187 million, outside transactions completed within the framework of the liquidity contract.

GROWTH IN WORKFORCE

The Hermès Group increased its workforce by almost 650 people, including more than 400 in France, mainly in the production units and sales teams. At year-end 2017, the Group employed 13,483 people, including 8,319 in France.

OPENING OF THE LANDMARK PRINCE'S FLAGSHIP AND DISPOSAL OF THE GALLERIA IN HONG KONG

The Hermès Group, which inaugurated on 10 January 2018 its new flagship store at the Landmark Prince's in Hong Kong, sold the premises of its former Galleria store, which it owned. This transaction shall generate a net capital gain of around €50 million in the 2018 financial year.

OUTLOOK

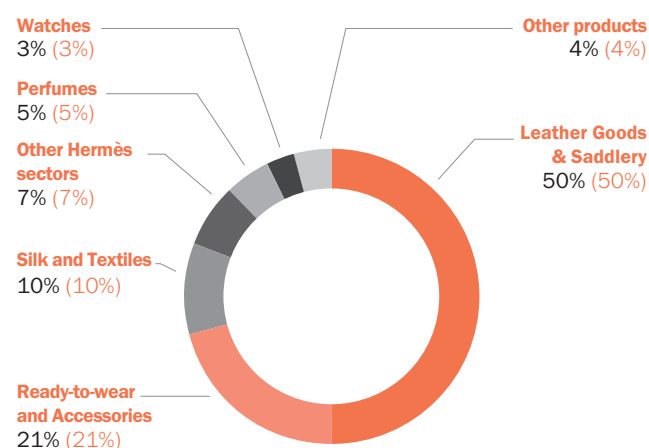
In the medium-term, despite growing economic, geopolitical and monetary uncertainties around the world, the Group confirms an ambitious goal for revenue growth at constant exchange rates.

In 2018, Hermès is celebrating the theme "Let's play!". Beyond mere recreation, this guiding vision reminds us of the importance of enjoyment as a driver of creativity, innovation and agility.

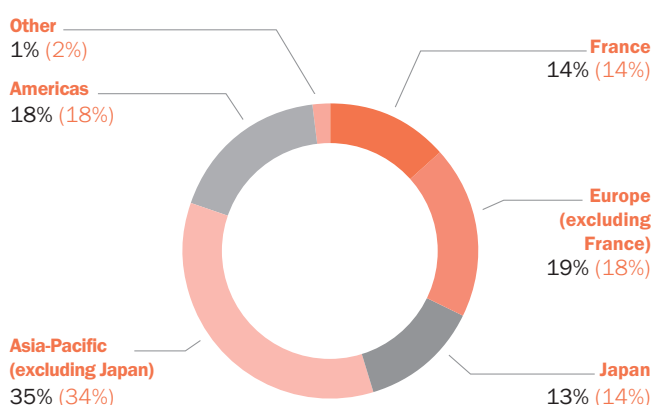
Thanks to its unique business model, Hermès is pursuing its long-term development strategy based on creativity, maintaining control over know-how and singular communication.

KEY FIGURES

BREAKDOWN OF REVENUE BY SECTOR 2017 VS 2016



BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA 2017 VS 2016



KEY CONSOLIDATED DATA

<i>In millions of euros</i>	2017	2016	2015	2014	2013
Revenue	5,549	5,202	4,841	4,119	3,755
Growth at current exchange rates vs. n-1	6.7%	7.5%	17.5%	9.7%	7.8%
Growth at current exchange rates vs. n-1 ¹	8.6%	7.4%	8.1%	11.1%	13.0%
Recurring operating income	1,922	1,697	1,541	1,299	1,218
in % of revenue	34.6%	32.6%	31.8%	31.5%	32.4%
Net income attributable to owners of the parent	1,221	1,100	973	859	790
in % of revenue	22.0%	21.2%	20.1%	20.9%	21.0%
Operating cash flows	1,598	1,439	1,218	1,049	1,016
Investments (excluding financial investments) ²	270	285	267	322	232
Equity attributable to owners of the parent ³	5,039	4,383	3,742	3,449	2,826
Net cash position IFRS	2,912	2,320	1,571	1,422	1,022
Restated net cash position ⁴	3,050	2,345	1,614	1,494	1,091
Economic value added (EVA) ⁵	1,070	949	793	713	655
Return on capital employed (ROCE) ⁶	57%	49%	45%	43%	45%
Workforce (number of employees)	13,483	12,834	12,244	11,718	11,037

(1) Growth at constant exchange rates is calculated by applying, for each currency, the average exchange rates of the previous period to the revenue for the period.

(2) See chapter 4, page 185 of the 2017 Registration document.

(3) Equity excluding non-controlling interests.

(4) The restated net cash includes cash investments that do not meet IFRS cash equivalent criteria as a result of their original maturity of more than three months.

(5) Difference between recurring operating income after tax on operating income and the weighted average cost of capital employed.

(6) Recurring operating income, after tax on operating income, based on average capital employed. See page 186 of the 2017 Registration document.

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TABLE OF RESULTS OVER THE LAST FIVE FINANCIAL YEARS

	2017	2016	2015	2014	2013
Share capital at the end of the year					
Share capital in millions of euros	53.8	53.8	53.8	53.8	53.8
Number of shares outstanding	105,569,412	105,569,412	105,569,412	105,569,412	105,569,412
Comprehensive income from operations in millions of euros					
Revenue excluding taxes	216.6	177.6	207.2	161.9	189.9
Net income before tax, employee profit-sharing, amortisation, depreciation, provisions and impairment	842.5	1,165.2	961.9	605.8	626.2
Income tax (income)	(24.4)	5.8	28.3	(4.0)	(8.7)
Employee profit-sharing (expense)	4.5	3.9	3.9	4.4	4.1
Net income after tax, employee profit-sharing, amortisation, depreciation, provisions and impairment	778.3	1,091.2	842.8	587.7	544.3
Profits distributed as dividends (including on treasury shares)	965.9	403.2	359.3	843.2	288.7
Earnings per share in euros					
Net income after tax and employee profit-sharing but before amortisation, depreciation, provisions and impairment	8.17	10.95	8.81	5.73	5.98
Net income after tax, employee profit-sharing, amortisation, depreciation, provisions and impairment	7.37	10.34	7.98	5.57	5.16
Net dividend paid per share	9.10 ¹	3.75	3.35	7.95 ²	2.70
Employees					
Number of employees (average workforce)	399	384	369	347	331
Total payroll in millions of euros	49.4	47.0	45.6	37.5	38.1
Employee benefits paid in the year in millions of euros	29.1 ³	105.0	55.3	71.8	65.1

(1) Subject to approval by the Ordinary General Meeting of 5 June 2018. A proposal will be made for an ordinary dividend of €4.10, for which an interim dividend of €1.50 was paid on 22 February 2018. Furthermore, an extraordinary dividend of €5.00 per share will be proposed at the General Meeting.

(2) In 2014, an ordinary dividend of €2.95 and an extraordinary dividend of €5.00.

(3) In 2017, this figure only includes expenses relating to the free share allocation plans for Company employees (see Note 3 page 255 of the 2017 Registration document).

3 CORPORATE GOVERNANCE

GROUP MANAGEMENT (ROLE AND COMPOSITION)

THE ACTIVE PARTNER AND ITS EXECUTIVE MANAGEMENT BOARD

Role	Composition as at 31/12/2017	
<p>The Active Partner is jointly and severally liable for all the Company's debts, for an indefinite period of time. The Active Partner has the authority to appoint or revoke the powers of the Executive Chairman, after receiving the reasoned opinion of the Supervisory Board. The Active Partner makes all decisions pertaining to the Group's strategic options, consolidated operating and investment budgets, and recommendations to the General Meeting with respect to the distribution of share premiums, reserves and retained earnings, on the recommendation of the Supervisory Board. It may submit recommendations to the Executive Management on any matter of general interest to the Group. It authorises all company loans, sureties, endorsements and guarantees, any pledges of collateral and encumbrances on the Company's property, as well as the creation of any company or acquisition of an interest whenever the investment amounts to more than 10% of the Group's consolidated net worth.</p>	◆ Émile Hermès SARL	Active partner
	represented by its Executive Management Board:	
	◆ Henri-Louis Bauer	Executive Chairman, Chairman and Member of the Executive Management Board
	◆ Philippe Dumas	Vice-Chairman and member of the Executive Management Board
	◆ Pascale Mussard	Vice-Chairwoman and member of the Executive Management Board
	◆ Sandrine Brekke ◆ Frédéric Dumas ◆ Édouard Guerrand ◆ Agnès Harth ◆ Laurent E. Momméja ◆ Jean-Baptiste Puech ◆ Guillaume de Seynes	Other members of the Executive Management Board

EXECUTIVE MANAGEMENT

Role	Composition at 31/12/2017				
<p>The Executive Management ensures the management of Hermès International.</p> <p>The role of the Executive Chairman is to manage the Group and act in its general interest, within the scope of the corporate purpose and subject to those powers expressly granted by law or by the Articles of Association to the Supervisory Board, to the Active Partner and to Shareholders' General Meetings. The Executive Chairmen distributed their roles as follows: Axel Dumas is in charge of strategy and operational management, and Émile Hermès SARL, through its Executive Management Board, is responsible for the vision and strategic areas.</p>	<p>The Executive Chairmen are appointed by the Active Partner, after consultation with the Supervisory Board. In accordance with the Articles of Association, the Executive Management comprises one or two Executive Chairmen, who are natural persons, either Active Partners or from outside the Company, each having the same powers and duties. The term of office of the Executive Chairmen is open-ended.</p>				
	<table> <tr> <td>♦ Axel Dumas appointed by the Active Partner on 4 June 2013 (effective 5 June 2013).</td><td>Executive Chairman</td></tr> <tr> <td>♦ The company Émile Hermès SARL (represented by Henri-Louis Bauer) appointed by the Active Partner on 14 February 2006 (effective 1 April 2006).</td><td>Executive Chairman</td></tr> </table>	♦ Axel Dumas appointed by the Active Partner on 4 June 2013 (effective 5 June 2013).	Executive Chairman	♦ The company Émile Hermès SARL (represented by Henri-Louis Bauer) appointed by the Active Partner on 14 February 2006 (effective 1 April 2006).	Executive Chairman
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♦ The company Émile Hermès SARL (represented by Henri-Louis Bauer) appointed by the Active Partner on 14 February 2006 (effective 1 April 2006).	Executive Chairman				

Shareholding obligations

At its meeting of 21 March 2017, the Supervisory Board decided that the Executive Chairmen should each be required to hold a minimum of 1 Hermès International shares pursuant to Article 22 of the AFEP-MEDEF Code revised in November 2016.

Both Executive Chairmen comply with this obligation.

EXECUTIVE COMMITTEE

Role	Composition at 31/12/2017																
<p>The Group management is comprised of the Executive Chairman and the Executive Committee, which consists of managing directors, each of whom has well-defined areas of responsibility.</p> <p>Its role is to oversee the Group's strategic and operational management.</p> <p>The Executive Committee meets every two weeks.</p> <p>Its composition reflects the Group's main areas of expertise.</p>	<table> <tr> <td>♦ Axel Dumas</td><td>Executive Chairman</td></tr> <tr> <td>♦ Florian Craen</td><td>Executive Vice-President Sales & Distribution</td></tr> <tr> <td>♦ Charlotte David</td><td>Executive Vice-President Communication</td></tr> <tr> <td>♦ Pierre-Alexis Dumas</td><td>Artistic Executive Vice-President</td></tr> <tr> <td>♦ Olivier Fournier</td><td>Executive Vice-President of Governance and Organisational Development</td></tr> <tr> <td>♦ Wilfried Guerrand</td><td>Executive Vice-President of Digital Projects and E-commerce</td></tr> <tr> <td>♦ Éric du Halgouët</td><td>Executive Vice-President Finance</td></tr> <tr> <td>♦ Guillaume de Seynes</td><td>Executive Vice-President Manufacturing division & Equity Investments</td></tr> </table>	♦ Axel Dumas	Executive Chairman	♦ Florian Craen	Executive Vice-President Sales & Distribution	♦ Charlotte David	Executive Vice-President Communication	♦ Pierre-Alexis Dumas	Artistic Executive Vice-President	♦ Olivier Fournier	Executive Vice-President of Governance and Organisational Development	♦ Wilfried Guerrand	Executive Vice-President of Digital Projects and E-commerce	♦ Éric du Halgouët	Executive Vice-President Finance	♦ Guillaume de Seynes	Executive Vice-President Manufacturing division & Equity Investments
♦ Axel Dumas	Executive Chairman																
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♦ Guillaume de Seynes	Executive Vice-President Manufacturing division & Equity Investments																

SUPERVISORY BOARD

ROLE AND COMPOSITION

Role

The Supervisory Board exercises ongoing control over the Company's management. For this purpose, it has the same powers as the Statutory Auditors and receives the same documents that they do, at the same time. In addition, the Executive Management must submit a detailed report to the Supervisory Board on the Company's operations at least once a year.

The Supervisory Board gives a reasoned opinion to the Active Partner on:

- ♦ appointing and dismissing an Executive Chairman of the Company; and
- ♦ reducing the notice period in case of the Executive Chairman's resignation.

The Supervisory Board:

- ♦ determines the allocation of earnings to be put to the General Meeting each year;
- ♦ approves or rejects any proposed new wording of certain clauses of the Articles of Association of Émile Hermès SARL.

The Active Partner must consult the Supervisory Board prior to making any decisions on the following:

- ♦ strategic options;
- ♦ consolidated operating and investment budgets; and
- ♦ proposals to the General Meeting regarding the allocation of share premiums, reserves or retained earnings.

Every year the Supervisory Board presents to the Annual Ordinary General Meeting a report (see pages 36 and 37) in which it comments on the Company's management and draws attention to any inconsistencies or inaccuracies identified in the financial statements for the year.

The functions exercised by the Supervisory Board do not entail any interference with the Executive Management, or any liability arising from the management's actions or from the results of such actions.

Composition at 31/12/2017

Supervisory Board

The Company is governed by a Supervisory Board currently comprising thirteen members appointed for a term of three years 1 selected from among shareholders who are neither an Active Partner nor the legal representative of an Active Partner nor an Executive Chairman. In accordance with Article L. 225-79-2 of the French Commercial Code, the Group Committee has since 19 November 2014 appointed an employee representative to the Supervisory Board.

♦ Éric de Seynes	Chairman and member of the Supervisory Board
♦ Monique Cohen	Vice-Chairwoman and member of the Supervisory Board
♦ Dominique Senequier	Vice-Chairwoman and member of the Supervisory Board
♦ Frédéric Afriat (employee representative)	Other members of the Supervisory Board
♦ Dorothee Altmayer	
♦ Charles-Éric Bauer	
♦ Matthieu Dumas	
♦ Blaise Guerrand	
♦ Julie Guerrand	
♦ Olympia Guerrand	
♦ Sharon MacBeath	
♦ Renaud Momméja	
♦ Robert Peugeot	

Audit Committee

♦ Monique Cohen	Chairwoman of the Audit Committee
♦ Charles-Éric Bauer	Audit Committee members
♦ Sharon MacBeath	
♦ Renaud Momméja	
♦ Robert Peugeot	

Compensation, Appointments and Governance Committee

♦ Dominique Senequier	Chairwoman of the Compensation, Appointments and Governance Committee
♦ Matthieu Dumas	Members of the Compensation, Appointments and Governance Committee
♦ Sharon MacBeath	
♦ Robert Peugeot	

SUMMARY PRESENTATION OF THE MEMBERS OF THE SUPERVISORY BOARD

Name	Age in 2018	Date of birth	Nationality	Sex	Independent	Date appointed	Date term ends	Length of service
Éric de Seynes (Chairman)	58 years	09/06/1960	French	M		07/06/2010 03/03/2011 (Chairman)	2020 GM	7 years
Monique Cohen (Vice-Chairwoman)	62 years	28/01/1956	French	F	✓	03/06/2014	2020 GM	4 years
Dominique Senequier (Vice-Chairwoman)	65 years	21/08/1953	French	F	✓	04/06/2013	2019 GM	5 years
Frédéric Afriat (employee representative)	48 years	10/09/1970	French	M		08/11/2016	08/11/2019	1 year
Dorothee Altmayer	57 years	01/03/1961	French	F		06/06/2017	2020 GM	1 year
Charles-Éric Bauer	54 years	09/01/1964	French	M		03/06/2008	2019 GM	10 years
Matthieu Dumas	46 years	06/12/1972	French	M		03/06/2008	2018 GM	10 years
Blaise Guerrand	35 years	04/06/1983	French	M		29/05/2012	2018 GM	6 years
Julie Guerrand	43 years	26/02/1975	French	F		02/06/2005	2019 GM	13 years
Olympia Guerrand	41 years	07/10/1977	French/ Portuguese	F		06/06/2017	2018 GM	1 year
Sharon MacBeath	49 years	30/03/1969	British	F	✓	31/05/2016	2019 GM	2 years
Renaud Momméja	56 years	20/03/1962	French	M		02/06/2005	2020 GM	13 years
Robert Peugeot	68 years	25/04/1950	French	M	✓	24/01/2007	2018 GM	11 years

Name	Main position outside the Company	Offices in listed companies	Number of shares	Member of the Audit Committee	Member of the CAG Committee
Éric de Seynes (Chairman)	COO of Yamaha Motor Europe		203		
Monique Cohen (Vice-Chairwoman)	Partner at Apax Partners	BNP Paribas JC Decaux (until 11/05/2017) Safran	250	✓	
Dominique Senequier (Vice-Chairwoman)	Chairwoman of Ardian		200		✓
Frédéric Afriat (employee representative)	Chief Accountant of Hermes Parfums		70		
Dorothee Altmayer	Psychologist		200		
Charles-Éric Bauer	Associate Director of Hem-Fi Conseil		73,648	✓	
Matthieu Dumas	Manager of EAQUE		213		✓
Blaise Guerrand	Managing Partner in corporate takeovers		200		
Julie Guerrand	Chairwoman of H51		5,825		
Olympia Guerrand	Property administrator		306,312		
Sharon MacBeath	Executive Vice-President Human Resources at Tarkett	Coface	200	✓	✓
Renaud Momméja	Manager of Tolazi		178,144 (o/w 12 in bare ownership)	✓	
Robert Peugeot ¹	Chairman and CEO of FFP	DKSH Faurecia FFP PSA Peugeot Citroën Sofina	200	✓	✓

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

MAIN AREAS OF EXPERTISE AND EXPERIENCE OF THE MEMBERS OF THE SUPERVISORY BOARD

Name	Main areas of expertise and experience
♦ Éric de Seynes (Chairman)	<p>Éric de Seynes is a graduate of École Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA) with a specialisation in marketing. Until 2017 he was successively Head of Marketing for Mobil Oil Française, Director of Sponsoring for Seita, Marketing Director for Sonauto-Yamaha, Director of Marketing and Sales for Yamaha Motor France, Chairman of Groupe Option, Chairman and CEO of Yamaha Motor France, Operational Director of Yamaha Motor Europe, and Chief Operating Officer of Yamaha Motor Europe. He has been Chief Executive Officer of Yamaha Motor Europe since 1 January 2018, Executive Officer of Yamaha Motor Co. Ltd (Japan) since 2016 and a member of the Executive Committee of the European Association of Motorcycle Manufacturers since 2014.</p> <p>Eric de Seynes has been a member of the Supervisory Board since 7 June 2010. He previously held this office from 2005 until 2008. He was also a member of the Audit Committee from 2005 to 2008 and of the Executive Management Board of Émile Hermès SARL from 2008 to 2010. On 3 March 2011 he was appointed Chairman of the Supervisory Board.</p>
♦ Monique Cohen (Vice-Chairwoman)	<p>Monique Cohen is a graduate of the École Polytechnique (X76), with a Master's degree in mathematics and a degree in business law.</p> <p>She began her career in 1979 at Paribas as a senior banker then as the worldwide manager for equity-related business lines. Since 2000 she has been a partner at Apax Partners in charge of investments in business services, financial services and healthcare.</p> <p>Monique Cohen is a director of the Safran group and Supervisory Board member of JCDecaux. She was appointed to the Board of Directors of BNP Paribas on 12 February 2014. Until September 2014 she sat on the Board of the Autorité des marchés financiers (AMF – French financial markets regulator).</p>
♦ Dominique Senequier (Vice-Chairwoman)	<p>Dominique Senequier is a graduate of the École Polytechnique (X72) and holds a postgraduate diploma (DEA) in Currency Banking Finance from the University of the Sorbonne. She began her career at Gan where she started up and developed the subsidiary Gan Participations from 1987 to 1995 after being Acquisitions Manager for the Group and spending five years in the insurance inspectorate. In 1996, she joined the Axa group and founded Axa Private Equity. At the end of 2013, Axa Private Equity became the Ardian Group of which she is currently Chairwoman.</p>
♦ Frédéric Afriat (employee representative)	<p>Frédéric Afriat was appointed by the Group Committee to the Supervisory Board as an employee representative on and with effect from 8 November 2016. He holds an accounting certificate (BTS) as well as an accounting degree (DECF) and has 25 years' experience in the accounting profession with various firms such as Roche Bobois, McDonald's France and Bouygues. Chief accountant for eight years at Comptoir Nouveau de la Parfumerie (Hermès Parfums), he deals with the company's accounting, tax, social and budgetary aspects on a day-to-day basis. Prior to his appointment to the Supervisory Board, he occupied two posts as employee representative: member of the works council, staff representative at Comptoir Nouveau de la Parfumerie (Hermès Parfums) and staff representative on the Group Committee.</p>
♦ Dorothée Altmayer	<p>Dorothée Altmayer holds a degree in clinical psychology from the École de psychologues praticiens (EPP/Psychopratt) (1984), a postgraduate diploma in graphology from the Société française de graphologie (1987) and a diploma in plastic arts mediation psychotherapy (2006).</p> <p>She first worked as a recruitment and outplacement consultant at International Business Drive (ALGOE EXECUTIVE Group). Since 2000 she has been a practising clinical psychologist.</p> <p>She has held temporary positions at the Hôpital Necker, the Main dans la main association, the Institut Mutualiste Montsouris (day hospital for adolescents) and the Centre Recherches et Rencontres.</p> <p>Since 2007 she has been in private practice, specialising in parent-child interviews, psychological assessments and individual art therapy sessions for children.</p>
♦ Charles-Éric Bauer	<p>Charles-Éric Bauer holds a degree in technical analysis from Institut des Techniques de Marchés. He is also a graduate of École d'Administration et Direction des Affaires (EAD) business school, option: finance. He served as Co-Managing Director of and Head of Mutual Fund Management at CaixaGestion from 2000 to 2005, and as director, Corporate and Institutional Clients, CaixaBank France, from 2005 to 2007. Since March 2007 he has been the Managing Partner of Hem-Fi Conseil, a private equity firm.</p> <p>Charles-Éric Bauer has been a member of the Supervisory Board since 3 June 2008. He has also been a member of the Audit Committee since its inception on 26 January 2005.</p>
♦ Matthieu Dumas	(see page 17)
♦ Blaise Guerrand	(see page 18)
♦ Julie Guerrand	<p>Julie Guerrand holds a DEUG advanced degree in applied mathematics and social sciences and a Master of Economics and Industrial Strategy from Université Paris IX-Dauphine. Between 1998 and 2006 she worked in the financial affairs department (mergers & acquisitions) of investment bank Rothschild & Cie. From 2007 to 2011 she was Director of Equity Investments at Paris Orléans, a holding company listed on Euronext controlled by the Rothschild family. She joined the Hermès Group from 2011 to 2017 as Corporate Development Director of Hermès International before becoming Deputy Managing Director – Finance and Organisation of the Hermès Cuir Précieux division. She has been certified as a Company Director (ASC France) by the IFA and Sciences Po since 2014.</p> <p>Julie Guerrand has been a member of the Supervisory Board since 2 June 2005. She was also a member of the Audit Committee from its inception on 26 January 2005 until 2 March 2011.</p>

Name	Main areas of expertise and experience
♦ Olympia Guerrand	(see page 18)
♦ Sharon MacBeath	Sharon MacBeath is a graduate of Glasgow University, the Panthéon-Sorbonne University and INSEAD. Her development has been enriched by her diversity of experiences, both in the business community as well as mass distribution, and now business to business. She has served successively as Director of Human Resources at McDonald's, Managing Director at EMDS Consulting, Human Resources Group Director at Rexam, where she was primarily in charge of risk management topics, and Senior Vice-Chairwoman of Human Resources and Communications at Redcats. From 2013 to 2016 she served as Senior Human Resources Vice-Chairwoman at Rexel. Since 3 January 2017 she has been Director of Human Resources and Communications of the Tarkett Group and a member of its Executive Committee and Management Board. Sharon MacBeath has been a member of the Supervisory Board since 31 May 2016. She has also been a member of the Audit Committee since 31 May 2016.
♦ Renaud Momméja	Renaud Momméja is a graduate of École Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA). He has been Executive Manager of SARL Tolazi since 2004, a corporate property management, organisation and strategy consulting firm. Since 2006 he has been the Representative of SC Lor on the Executive Management of SC du Château Fourcas Hosten. Renaud Momméja has been a member of the Supervisory Board since 2 June 2005. He has also been a member of the Audit Committee since 3 June 2008.
♦ Robert Peugeot	(see page 19)

COMPOSITION OF THE SUPERVISORY BOARD'S COMMITTEES

Summary presentation of the members of the CAG Committee

Name	Independent	Date of appointment	Term of office on the Board	Length of service on the Committee
Dominique Senequier (Chairwoman)	√	04/06/2013	2019 GM	5 years
Matthieu Dumas		03/06/2008	2018 GM	10 years
Sharon MacBeath	√	06/06/2017	2019 GM	1 year
Robert Peugeot	√	03/06/2008	2018 GM	10 years

Summary presentation of the members of the Audit Committee

Name	Independent	Specific expertise in finance or accounting	Date of appointment	Term of office on the Board	Length of service on the Committee
Monique Cohen (Chairwoman)	√	√	03/06/2014	2020 GM	4 years
Charles-Éric Bauer		√	26/01/2005	2019 GM	13 years ¹
Sharon MacBeath	√	√	31/05/2016	2019 GM	2 years
Renaud Momméja		√	03/06/2008	2020 GM	10 years
Robert Peugeot	√	√	03/06/2008	2018 GM	10 years

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

ATTENDANCE

During the fiscal year 2017, seven meetings of the Supervisory Board were held, in the regular presence of almost every member, as shown in the following table:

2017	Attendance at Supervisory Board meetings	Attendance at Compensation, Appointments and Governance Committee meetings	Attendance at Audit Committee meetings
Average attendance	96.70%	100.00%	86.67%
Éric de Seynes (Chairman)	100.00%	n/a	n/a
Monique Cohen (Vice-Chairwoman)	100.00%	n/a	100.00%
Dominique Senequier (Vice-Chairwoman)	100.00%	100.00%	n/a
Frédéric Afriat (Employee representative)	100.00%	n/a	n/a
Dorothee Altmayer (from 06/06/2017)	100.00%	n/a	n/a
Charles-Éric Bauer	100.00%	n/a	100.00%
Matthieu Dumas	100.00%	100.00%	n/a
Blaise Guerrand	100.00%	n/a	n/a
Julie Guerrand	100.00%	n/a	n/a
Olympia Guerrand (from 06/06/2017)	100.00%	n/a	n/a
Sharon MacBeath	100.00%	100.00%	83.33%
Renaud Momméja	85.71%	n/a	83.33%
Robert Peugeot	71.43%	100.00%	66.67%

n/a: not applicable.

COMPOSITION OF THE SUPERVISORY BOARD AFTER THE GENERAL MEETING



* Excluding the member of the Supervisory Board representing the employees.

On 19 January 2019 Robert Peugeot will have served on the Board for 12 years.

To replace him in soon as possible and in the best conditions by a new member of the Supervisory Board with independent status at the General Meeting of Shareholders in 2019, the Supervisory Board

considered that it was preferable that the proportions of independent members on the Board (25%) and on the Audit Committee (40%) should be slightly lower than the requirements of the AFEP-MEDEF Code for a short period of several months rather than eliminating one of the criteria of independence concerning Mr Robert Peugeot.

INFORMATION ON THE PEOPLE WHOSE RE-ELECTION IS SUBMITTED TO THE COMBINED GENERAL MEETING FOR APPROVAL

MATTHIEU DUMAS

Member of the Supervisory Board and the Compensation, Appointments and Governance Committee of Hermès International

Direct descendant of Émile-Maurice Hermès.

Date appointed: 3 June 2008

Term of current office: 2018 GM

Address: c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris

Born on: 6 December 1972

Nationality: French

Shares held: 213 wholly-owned shares at 31 December 2017 of which at least 200 are registered

Expertise and professional experience

Matthieu Dumas holds a Masters in Law from Université Paris II-Assas and a Masters in Management majoring in strategic marketing, development and corporate communication from the Institut Supérieur de Gestion. From 2001 to 2003 he was Head of Promotion and Partnerships at Cuisine TV (Canal+ Group) and then Marketing and Business Development Director from 2003 to 2006. In 2008 he became Brand Manager of 13e Rue, NBC Universal Group, then Deputy Managing Director of all PureScreens brands in 2010 before being appointed Marketing and Communication Manager of the Discovery Channel in France in 2011.

Since 2013 he has been the manager of EAQUE.

Matthieu Dumas has been a member of the Supervisory Board and the Compensation, Appointments and Governance Committee since 3 June 2008. He has been certified as a Company Director (ASC France) by the IFA and Sciences Po since 2015.

Offices and positions held during 2017

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ◆ Hermès International ▲● (France)
Member of the Supervisory Board and of the Compensation, Appointments and Governance Committee ◆ Comptoir Nouveau de la Parfumerie ▲* (France)
Director ◆ Asope (France)
Executive Chairman ◆ Axam 2 (France)
Executive Chairman ◆ BOVES (France)
Executive Chairman ◆ Yundal (France)
Executive Chairman | <ul style="list-style-type: none"> ◆ Eaque (France)
Executive Chairman ◆ H2 (France)
Chairman and Director ◆ HECATE (France)
Executive Chairman ◆ Krefeld (France)
Chairman and Director ◆ Krefeld Immo (France)
Chairman and Director ◆ LDMD (France)
Executive Chairman ◆ Mathel (France)
Executive Chairman |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Other offices and positions held during the previous four financial years and ending before 1 January 2017

- ◆ **Discovery Networks** (France)
Marketing and Communication Manager (until 01/02/2013)

BLAISE GUERRAND**Member of the Hermès International Supervisory Board**

Direct descendant of Émile-Maurice Hermès.

Date appointed: 29 May 2012

Term of current office: 2018 GM

Address: c/o Hermès International,
24, rue du Faubourg-Saint-Honoré
75008 Paris

Born on: 4 June 1983

Nationality: French

Shares held: 200 wholly-owned registered shares at 31 December 2017

Expertise and professional experience

Blaise Guerrand is a graduate of HEC Paris. He began his career as an Analyst in the equity capital markets department of NM Rothschild & Sons in London between 2005 and 2006. From 2007 to 2010 he was an Associate then Director of Equity Investments for the Indian subsidiary of Ashmore Investment Management, one of the world's leading investors in emerging countries, with more than 75 billion dollars under management and listed on the London Stock Exchange. Since 2011 he has been a Managing Partner in corporate takeovers. Moreover since 2007 he has been Director of the ACCESS Health International foundation which works in partnership with the Rockefeller Foundation to improve access to health care for the underprivileged in certain developing countries.

Offices and positions held during 2017

- | | |
|-----------------------------------------------------------------------|-----------------------------------------------------------|
| ♦ Hermès International ▲● (France)
Supervisory Board member | ♦ Jakyval (Luxembourg)
Director |
| ♦ Hermès Sellier ▲ (France)
Member of the Management Board | ♦ SCI Sèvres SCIFAH (France)
Executive Chairman |
| ♦ ACCESS Health International (USA)
Director | |

Other offices and positions held during the previous four financial years and ending before 1 January 2017

- ♦ **Avest Capital (Ile-Maurice)**
Director (until 29/12/2015)

OLYMPIA GUERRAND

Direct descendant of Émile-Maurice Hermès.

Date appointed: 6 June 2017

Term of current office: 2018 GM

Address: c/o Hermès International,
24, rue du Faubourg-Saint-Honoré
75008 Paris

Born on: 7 October 1977

Nationality: Franco-Portuguese

Shares held: 306,312 wholly-owned shares at 31 December 2017 of which at least 200 are registered

Expertise and professional experience

Olympia Guerrand worked for nearly one year in 2005-2006 in the Communications department of the subsidiary Hermès of Paris in New York, performing assignments in the area of advertising, public relations and event management. She then joined Hermès International until 2007 carrying out assignments within various Hermès Group departments (finance, legal, business lines, production units and stores). She has been a real estate administrator since 2008.

Offices and positions held during 2017

- | | |
|-----------------------------------------------------------------------|----------------------------------------------------------------------|
| ♦ Hermès International ▲● (France)
Supervisory Board member | ♦ Hermès Sellier ▲ (France)
Member of the Management Board |
|-----------------------------------------------------------------------|----------------------------------------------------------------------|

Other offices and positions held during the previous four financial years and ending before 1 January 2017

- ♦ None

ROBERT PEUGEOT

Member of the Supervisory Board, the Audit Committee and the Compensation, Appointments and Governance Committee of Hermès International

Not related to the Hermès family; independent according to the criteria applied by the Company.

Date appointed: 24 January 2007

Term of current office: 2018 GM

Address: c/o Hermès International, 24, rue du Faubourg-Saint-Honoré 75008 Paris

Born on: 25/04/1950

Nationality: French

Shares held: 200 wholly-owned registered shares at 31 December 2017

Expertise and professional experience

After his studies at the École Centrale de Paris and INSEAD, Robert Peugeot occupied various managerial posts within the PSA Peugeot Citroën Group and was a member of the Executive Committee of the Group between 1998 and 2007 in charge of innovation and quality. He is a Permanent Representative of FFP to the Supervisory Board of Peugeot SA, a member of the Financial and Audit Committee and he chairs the Strategic Committee. He has managed the development of FFP since the end of 2002.

Robert Peugeot 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 the Compensation, Appointments and Governance Committee.

Offices and positions held during 2017

- ◆ **Hermès International ▲● (France)**
Member of the Supervisory Board, the Audit Committee and the Compensation, Appointments and Governance Committee
- ◆ **CHP Gestion (France)**
Executive Chairman
- ◆ **DKSH ● (Switzerland)**
Director, member of the Compensation and Appointments Committee
- ◆ **Établissements Peugeot Frères-EPF * (France)**
Director, Chairman of the Accounts Committee
- ◆ **Faurecia ● (France)**
Director, member of the Management Committee
- ◆ **FFP ●* (France)**
Chairman and CEO, Chairman of the Equity Investments Committee
- ◆ **FFP Invest (France)**
Permanent Representative of FFP Invest, Chairman
- ◆ **Financière Guiraud SAS (France)**
Permanent representative of FFP Invest, Chairman and member of the Supervisory Board
- ◆ **PSA Peugeot Citroën (Peugeot SA) ● (France)**
Permanent representative of FFP, member of the Supervisory Board, Chairman of the Strategy Committee and member of the Finance and Audit Committee
- ◆ **SCAV Armene (France)**
Permanent representative of Maillot I on the Board of Directors
- ◆ **SCI Rodom (France)**
Executive Chairman
- ◆ **Sofina ● (Belgium)**
Director, Chairman of the Compensation Committee and Chairman of the Appointments Committee
- ◆ **Tikehau Capital Advisors (France)**
Member of the Board of Directors and member of the Compensation Committee

Robert Peugeot holds five other appointments in listed companies, but four of these appointments are held pursuant to his functions as Chairman and CEO of FFP, the main business of which is the acquisition and management of such equity investments.

Other offices and positions held during the previous four financial years and ending before 1 January 2017

- ◆ **SANEF * (France)**
Permanent representative of FFP Invest on the Board of Directors, member of the Appointments Committee (until 28/04/2017)
Director, Chairman of the Compensation and Appointments Committee (until 17/06/2014)
- ◆ **Imerys ●* (France)**
Director, member of the Strategic Committee, member of the Appointments and Compensation Committee (until 04/05/2016)
- ◆ **Holding Reinier (France)**
Director, member of the Compensation Committee, member of the Strategic Committee (until 03/09/2016)
- ◆ **IDI Emerging Markets (Luxembourg)**
Permanent representative of FFP Invest on the Supervisory Board (until 15/06/2015)
Member of the Supervisory Board (until 13/05/2014)
- ◆ **Peugeot SA ● (France)**
Chairman of the Strategic Committee, member of the Finance and Audit Committee (until 25/04/2014)
Member of the Supervisory Board (until 25/04/2014)
- ◆ **Zodiac Aerospace (France)**
Permanent representative of FFP Invest on the Supervisory Board, member of the Accounts Committee (until 16/07/2014)

REMUNERATION OF THE MANAGERS

PRINCIPLES AND CRITERIA FOR DETERMINING, ALLOCATING AND DISTRIBUTING THE COMPENSATION OF EXECUTIVE CHAIRMEN

The provisions of law no. 2016-1691 on transparency, anti-corruption and modernisation of the economy, of 9 December 2016 (the “Sapin II law”), including Articles L. 225-37-2 and L. 225-82-2 of the French Commercial Code, concerning the approval at the General Meeting of Shareholders of the principles and criteria for determining, distribution and allocation of fixed, variable and exceptional portions of compensation for Executive Corporate Officers (“ex-ante” vote), and subsequent approval of the amounts of compensation paid or allocated under these principles (“ex-post” vote) to executive and non-Executive Corporate Officers, do not apply to sociétés en commandite par actions (partnerships limited by shares) under Article L. 226-1 of the same Code which explicitly rules them out.

The Company will continue to comply with the recommendations of the November 2016 AFEP-MEDEF Corporate Governance Code by asking the General Meeting vote *ex post* on the compensation of its Executive Chairmen (see statement of reasons page 28).

ELEMENTS OF COMPENSATION

In accordance with Article 17 of the Articles of Association, Executive Chairmen are entitled to a fixed compensation (referred to as “additional” in the Articles of Association) and, potentially, variable compensation (referred to as “statutory” in the Articles of Association) whose maximum amount is determined by the Ordinary General Meeting with the unanimous approval of the Active Partners. Within these ceilings, the Active Partner decides on the effective compensation of each of the Executive Chairmen each year. It uses the recommendations of the CAG Committee and takes into account in its decision the performance achieved by the Group in respect of the previous financial year, the strategic challenges in respect of the Group’s medium- and long-term development and the competitive environment in which it operates:

1. fixed compensation (referred to as “additional compensation” in the Articles of Association) was approved by the Ordinary General Meeting of 31 May 2001 and limited at €457,347.05 at that time. This ceiling, which can only be adjusted upwards, is indexed each year to the growth in the consolidated revenue for the previous financial year at constant scope and exchange rates and on the same scope of consolidation, by comparison with revenue for the before to last financial year. In accordance with this principle and to facilitate understanding of how the additional compensation of Executive Chairmen is calculated before indexing, it is referred to as “fixed” (i.e. invariable) by analogy with market practices (thus in addition to variable compensation);
2. the calculation of the variable (statutory) compensation set by Article 17 of the Articles of Association has remained constant since the IPO on 3 June 1993. It is capped at 0.20% of the Group’s consolidated income before tax in the previous financial year. This mode of determination naturally leads to a strict variability of the statutory compensation of Executive Chairmen, transparently and without any guarantee of a minimum amount. For the sake of clarity the statutory compensation of Executive Chairmen is called “variable compensation” by analogy with market practices.

Changes to the two components of the compensation of Executive Chairmen depend upon objective and comprehensible quantitative criteria that have not changed for many years and which are public and predefined by nature, as described in paragraphs 1 and 2 on page 155. Henri-Louis Bauer, the Legal Representative of Émile Hermès SARL (Executive Chairman), does not personally receive any compensation from Hermès International. He receives compensation from Émile Hermès SARL for his functions as Executive Chairman of this Company, which are unrelated to the appointment as Executive Chairman of Émile Hermès SARL in Hermès International.

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

The Executive Management wished the principle of variability contained in the aforementioned provisions of the Articles of Association to be applied strictly to the compensation of the natural person serving as Executive Chairman.

As such, in accordance with these principles, it was decided to modify the compensation of Axel Dumas in 2017 by strictly applying the variation observed between 2015 and 2016 on the two objective quantitative criteria used as a reference for managerial compensation for many years (article 17 of the Articles of Association), namely consolidated pre-tax profit and consolidated revenue.

As regards the remuneration of Émile Hermès SARL, the legal entity serving as Executive Chairman, the Executive Management Board has decided to limit its compensation to the amounts indicated.

A breakdown of effective compensation paid to the Executive Chairmen set by the Executive Management Board of Émile Hermès SARL for the last two financial years is provided in the table below. Each year, the Compensation, Appointments and Governance Committee of the Supervisory Board of Hermès International is responsible for ascertaining that compensation paid to the Executive Chairmen complies with the provisions of the Articles of Association and the decisions made by the Active Partner.

Gross annual compensation of the managers	Amount paid in 2017 ¹	Amount paid in 2016
Mr Axel Dumas		
Fixed compensation (or “additional compensation” under the Articles of Association) ²	1,354,303 €	1,260,991 €
Variable compensation (or “statutory compensation” under the Articles of Association) ²	1,420,353 €	1,294,762 €
Exceptional compensation	-	-
Total compensation	2,774,656 €	2,555,753 €
Attendance fee	n/a	n/a
Benefits in kind	representation	representation
Émile Hermès SARL		
Fixed compensation (or “additional compensation” under the Articles of Association) ²	500,000 €	500,000 €
Variable compensation (or “statutory compensation” under the Articles of Association) ²	756,409 €	756,409 €
Exceptional compensation	-	-
Total compensation	1,256,409 €	1,256,409 €
Attendance fee	n/a	n/a
Benefits in kind	n/a	n/a

n/a: not applicable.

- (1) A detailed presentation of the principles and the amount (or the valuation) of the elements of the compensation of each Executive Chairman is shown in the description of the resolutions on page 28.
- (2) These amounts take into account the limits granted individually and collectively by the Articles of Association and the General Meeting.

4

PURPOSE AND DRAFT RESOLUTIONS

Resolutions submitted to the Combined General Meeting of June 5th, 2018 for approval

ORDINARY BUSINESS

FIRST, SECOND AND THIRD RESOLUTIONS: APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS
(PARENT COMPANY AND CONSOLIDATED) – EXECUTIVE
MANAGEMENT DISCHARGE

Purpose

For the first, second and third resolutions, we ask you to approve:

- ♦ the parent company financial statements for financial year 2017, which show net profits of €778,260,902.57, and the expenses and charges mentioned in Article 39-4 of the French General Tax Code (*Code général des impôts*);
- ♦ the consolidated financial statements for financial year 2017;
- ♦ discharge of Executive Management of its management for said financial year.

You will find in the 2017 Registration document:

- ♦ the consolidated financial statements pages 191 et seq.;
- ♦ the parent company financial statements pages 247 et seq.;
- ♦ the Statutory Auditors' reports on the parent company financial statements and consolidated financial statements on pages 241 and 275.

First resolution:**Approval of the parent company financial statements**

The General Meeting, acting with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Executive Management regarding the activity and situation of the Company, the report by the Supervisory Board and the Statutory Auditors' report for the financial year ended 31 December 2017, approved as they were presented the parent company financial statements for said financial year, including the statement of financial position, statement of profit or loss, and notes, which show a net profit of €778,260,902.57, as well as the transactions reflected in these accounts or described in these reports.

Pursuant to Article 223 quater of the French General Tax Code (*Code général des impôts*), the meeting approves the expenses and charges mentioned in Article 39-4 of the French General Tax Code (*Code général des impôts*), which amounted in the financial year 2017 to €220,385, which generated an estimated tax expense of €73,388.

Second resolution:**Approval of the consolidated financial statements**

The General Meeting, acting with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Executive Management regarding the activity and situation of the Group, the report by the Supervisory Board and the Statutory Auditors' report for the financial year ended 31 December 2017, approved as they were presented the consolidated financial statements for said financial year, including the statement of financial position, statement of profit or loss, and notes, which show a consolidated net profit of €1,225.8 million, as well as the transactions reflected in these accounts or described in these reports.

Third resolution:**Executive Management Discharge**

The General Meeting, acting with the quorum and majority requirements for Ordinary General Meetings, gives discharge to the Executive Management for its management for the financial year beginning 1 January 2017 and ended 31 December 2017.

FOURTH RESOLUTION: ALLOCATION OF NET INCOME – DISTRIBUTION OF AN ORDINARY DIVIDEND**Purpose**

In the fourth resolution, we submit for approval the appropriation of net income for the year, in the amount of €778,260,902.57. Of this amount, €239,560 is to be appropriated to the reserve for purchasing original works of art and €5,214,348.05 is to be distributed to the Active Partner, as stipulated in the Articles of Association.

We invite you to allocate additional reserves of €200,000,000. The Supervisory Board recommends that the ordinary dividend be fixed at €4.10 per share. This represents an increase of 9.3% in the ordinary dividend compared with the previous year.

Moreover you are asked to decide on an exceptional dividend of €5.00 per share, to distribute part of the large amount of cash available (more than €3 billion).

For the shareholder beneficiaries who are natural persons fiscally domiciled in France, this entire dividend will be subject to a single standard tax withholding at the overall rate of 30%.

This latter will consist in the application of tax on the income subject to an interim payment (partial standard withholding) withheld at source at a single rate of 12.8% of the gross amount of revenue to which will be added social security withholding of 17.2%.

This standard taxation at the single rate of 12.8% will be automatically applicable except for an overall option for the progressive scale, allowing to benefit from the 40% tax allowance.

Pursuant to Article 119 *bis* of the French General Tax Code (*Code général des impôts*), the dividend distributed to a shareholder who was not a fiscal resident in France is subject to withholding at source at the rate specified in Article 187 of the French General Tax Code (*Code général des impôts*), possibly reducing application of the tax agreement concluded between France and the government of the beneficiary's fiscal residence.

An interim dividend payment of €1.50 per share having been paid on 22 February 2018, the balance of the ordinary dividend, €2.60 per share, to which will be added the exceptional dividend of €5.00, for a total of €7.60 per share to pay, would be detached from the share on 7 June 2018 and payable in cash on 11 June 2018 on based on closing the positions approved on 8 June 2018 at the end of the day. As Hermès International is not entitled to receive dividends for shares held in treasury, the corresponding sums will be transferred to "Retained earnings" on the date the dividend becomes payable.

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

In euros	Exercice		
	2016	2015	2014
Ordinary dividend	3.75	3.35	2.95
Extraordinary dividend	-	-	5.00
Amount eligible for the reduction provided by Article 158-3 of the French General Tax Code (<i>Code général des impôts</i>)	1.50	1.34	3.18

We note that the five-year summary of the Company's financial data required under Article R. 225-102 of the French Commercial Code (*Code de commerce*) is presented on page 9.

Fourth resolution:**Allocation of net income – Distribution of an ordinary dividend and an exceptional dividend**

The General Meeting, acting under the quorum and majority requirements applicable to Ordinary General Meetings, noting that the profit for the year amounted to €778,260,902.57 and that the earlier retained earnings again amount to €1,546,724,085.90, and after noting that the legal reserve is provided in full, approves the allocation of these amounts, representing a distributable profit in the amount of €2,324,984,988.47, as proposed by the Supervisory Board, namely:

- ♦ to the reserve for purchasing original works of art, in the amount of €239,560;
- ♦ to the Active Partner, pursuant to Article 26 of the Company's Articles of Association, in the amount of €5,214,348.05;
- ♦ to shareholders, as an "ordinary" dividend of €4.10 per share, in the amount of €432,834,589.20 ¹;
- ♦ to shareholders, as an "extraordinary" dividend of €5.00 per share, i.e.: €527,847,060.00 ¹;

1. The total amount of the distribution referred to above is calculated on the basis of the number of shares outstanding as of 31 December 2017, being 105,569,412 shares, and may vary if the number of shares granting rights to a dividend changes between 1 January 2018 and the ex-dividend date, depending in particular on the changes in the number of treasury shares which are not entitled to the dividend in accordance with the provisions of Article L. 225 -210 paragraph 4 of the French Commercial Code (*Code de commerce*) and the final allocations of bonus shares, eligible for the dividend.

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PURPOSE AND DRAFT RESOLUTIONS
ORDINARY BUSINESS

- ♦ to other reserves in the amount of €200,000,000;
- ♦ to the “Retained earnings” item the balance, in the amount of €1,158,849,431.22;
- ♦ **all together** totalling €2,324,984,988.47.

The Ordinary General Meeting resolves that the remainder of the ordinary dividend for the year (which amounts to €1.50 per share after payment on 22 February 2018), that is €2.60 per share, to which will be added the exceptional dividend of €5.00 per share, that is a total amount of €7.60 per share, will be detached from the share on 7 June 2018 and payable in cash on 11 June 2018 based on closing positions on 8 June 2018 at the end of the day.

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.

For the shareholder beneficiaries who are natural persons fiscally domiciled in France, this entire dividend will be subject to a standard tax withholding at the overall rate of 30%.

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		
	2016	2015	2014
Ordinary dividend	3.75	3.35	2.95
Extraordinary dividend	-	-	5.00
Amount eligible for the reduction provided by Article 158-3 of the French General Tax Code (<i>Code général des impôts</i>)	1.50	1.34	3.18

This latter will consist in the application of income tax subject to partial payment (called partial standard withholding tax) withheld at source at the flat rate of 12.8% of gross revenue to which will be added the social security withholding of 17.2%.

This standard taxation at the single rate of 12.8% will be automatically applicable except for an overall option for the progressive scale, allowing to benefit from the 40% tax allowance.

Pursuant to Article 119 *bis* of the French General Tax Code (*Code général des impôts*), the dividend distributed to a shareholder who is not a fiscal resident in France is subject to withholding at source at the rate specified in Article 187 of the General Tax Code (*Code général des impôts*), possibly reduced in application of the tax agreement concluded between France and the government of the beneficiary’s fiscal residence.

FIFTH RESOLUTION: APPROVAL OF RELATED-PARTY AGREEMENTS AND COMMITMENTS

Purpose

By the Fifth resolution, we ask you to approve the new agreements and commitments referred to in Articles L. 226-10, L. 225-38 to L. 225-43 of the French Commercial (*Code de commerce*), that alone are submitted to the vote of the meeting:

Agreements and commitments authorised during the year ended – motivations**1) Riders for the renewal of brand-name licensing contracts maturing at 31 December 2016, whose objective is the following:**

- to transform these agreements into agreements of unlimited duration with the possibility for each party to terminate them at any time on condition of a written advance notice of at least one year; and
- to update the list of brand names under that license to include the new brand names that have been registered since the last ones.

The brand name licensing contracts between Hermès International and the interested persons bearing the brand names “HERMES” as well as all other brand names used by these companies expired on 31 December 2016: it was necessary to renew them, and the amendment of these licenses into agreements with unlimited duration did not have financial impacts.

2) Agreement between Hermès International and the company MOCE (brand “EatMe”) for the provision of fast food restaurant services on the website Hermès International located at 12 rue d’Anjou (75008)

As part of a public tender process, Hermès put several fast food service providers into competition. MOCE was selected in view of its commercial offering. This latter did not present any fixed expenses and specified planning the space in harmony with the building.

3) The signing of a new framework agreement with the architectural firm RDAI to define the scope of the RDAI mission for the exclusive application of the architectural Concept in the Hermès projects

The objective of the Concept created by RDAI is to allow a qualitative and easy identification of the stores and sales points distributing Hermès products throughout the world.

This new agreement aims to integrate the changes in the organisation of Hermès (DDI, purchasing policy, digital), to specify the obligations and roles of the parties and adjust the conditions of execution to the realities of the Hermès projects.

Analysis of the renegotiated agreement allows to conclude that the changes made are, essentially, for Hermès International, both concerning the obligations of RDAI as well as its remuneration.

Agreements and commitments authorised in prior years

The agreements and commitments established and authorised during previous financial years whose performance continued during the last financial year are described in the Statutory Auditors’ special report on the agreements and commitments referred to in Articles L. 226-10, L. 225-38 and L. 225-43 of the French Commercial Code (*Code de commerce*). Because they were already approved by the General Meeting, they are not being resubmitted to you for a vote.

This report is shown on pages 44 to 47.

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Fifth resolution:**Approval of related-party agreements and commitments**

The General Meeting, acting under the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the Statutory Auditors’ special report on the agreements and commitments pertaining to the combined provisions of Articles L. 226-10, L. 225-38

to L. 225-43 of the French Commercial Code (*Code de commerce*), approves the aforementioned report in all its provisions as well as the agreements, commitments and transactions set out, entered into and performed during financial year 2017.

SIXTH RESOLUTION: AUTHORISATION OF COMPANY BUYBACK OF TREASURY SHARES

Purpose

For the sixth resolution, we ask you to renew the authorisation granted to the Executive Management to trade in the Company's shares.

Objectives

The shares may be repurchased to be allocated to the objectives permitted by regulation (EU) 596/2014 of 16 April 2014 on market abuse (MAR):

- ♦ objectives provided for in Article 5 of MAR: capital decrease, hedging of debt securities exchangeable for shares and coverage of employee shareholding plans;
- ♦ objectives provided for in Article 13 of MAR and under the sole market practice now accepted by the Financial Markets Authority (AMF): the implementation of a liquidity contract by an investment service provider acting independently;
- ♦ other objectives: acquisitions, hedging of equity securities exchangeable for shares and more generally to allocate them for the completion of any transactions in accordance with the regulations in force.

Limits of the authorisation:

- ♦ purchases and sales of shares representing up to 10% of the share capital would be authorised, i.e. for indicative purposes as of 31 December 2017: 10,556,941;
- ♦ the maximum purchase price (excluding costs) would be set at €650 per share;
- ♦ the maximum amount of funds to be committed would be set at €1,500 million. On the day of the General Meeting, treasury shares are not taken into account in this maximum amount;
- ♦ pursuant to the law, the total number of shares held at a given date may not exceed 10% of the share capital as of that date.

Duration of the authorisation

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

Sixth resolution:**Authorisation granted 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 to sub-delegate, under the terms and conditions set by the law, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code (*Code de commerce*) and regulation (EU) 596/2014 of 16 April 2014 on market abuse (MAR), to buy Company shares or have Company shares bought within the limits stipulated by legal and regulatory provisions, provided that:

- the number of shares purchased by the Company during the term of the buyback programme shall not exceed 10% of the total number of shares in the Company, at any time; this percentage shall apply to share capital adjusted as a function of transactions that will affect it subsequent to this General Meeting; in accordance with the provisions of Article L. 225-209 of the French Commercial Code (*Code de commerce*), the number of shares used as a basis for calculating the 10% limit is the number of shares bought, less the number of shares sold during the term of the authorisation if these shares were purchased to provide liquidity under the conditions defined by the AMF General Regulation, and

- the Company will not at any time own more than 10% of its capital on the date in question;

2) resolves that the shares may be acquired with a view to:

- objectives provided for in Article 5 of MAR:
 - cancelling all or part of the shares bought back in order to increase the return on equity and earnings per share, and/or to neutralise the dilutive impact of capital increases for shareholders, wherein such purpose is contingent upon adoption of a special resolution by the Extraordinary General Meeting,
 - reusing during the exercise of rights associated with debt securities giving entitlement by conversion, exercise, redemption, exchange, presentation of a warrant or in any other way, for the allocation of Company shares,
 - allotting or selling the shares to employees and Corporate Officers of the Company or a Group company, under the terms and conditions stipulated by law, as part of stock option plans (in accordance with Articles L. 225-179 *et seq.* of the French Commercial Code (*Code de commerce*)), or bonus share distributions (in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code (*Code de commerce*), or with respect to their participation in the Company's profit-sharing or through a share ownership plan or a company or group savings plan (or similar plan) under conditions provided by law, in particular Articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*),

- objectives provided for in Article 13 of MAR and under the sole market practice now accepted by the Financial Markets Authority (AMF):
- ensuring the promotion of a secondary market or the liquidity of the shares through an investment service provider acting independently under a liquidity contract in accordance with an ethics charter recognised by the Financial Markets Authority (AMF),
- other objectives:
 - 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 contribution shall not exceed 5% of the share capital,
 - reusing during the exercise of rights associated with equity securities giving entitlement by conversion, exercise, redemption, exchange, presentation of a warrant or in any other way, for the allocation of Company shares,
 - and more generally to allocate them to the completion of any transactions in accordance with the applicable regulations.

This programme is also intended to enable the Company to operate toward any other purpose that may be decided, by law or regulations, including any market practice that may be approved by the Financial Markets Authority (AMF) subsequent to this General Meeting.

In such case, the Company would inform its shareholders by publishing a special notice:

- 3) resolves that, except for shares acquired under share purchase plans for the company's employees or Corporate Officers, the purchase price per share shall be no higher than six hundred and fifty euros (€650), excluding expenses;
- 4) resolves, however, that the Executive Management may adjust the aforementioned purchase price in the event of a change in the par value per share; a capital increase by capitalisation of reserves; a bonus 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 equity, to take into account the effect of such transactions on the value of the shares;

- 5) resolves that the maximum amount of funds that may be committed to this share purchase programme cannot exceed 1 billion five hundred million euros (€1,500 million);
- 6) resolves that the shares may be purchased by any means, including all or part of interventions on regulated markets, multilateral trading systems, with systematic internalisers or OTC, including block purchases of securities (without limiting the portion of the buyback programme carried out by this means), by public offering to purchase or exchange or the use of options or derivatives (in compliance with legal and regulatory requirements while applicable), excluding the sale of put options, and at the time that the Executive Management deems appropriate, including during a public offering for the shares of the Company, in accordance with stock market regulations, either directly or indirectly via 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) grants full authority to Executive Management to implement this delegation, and in particular:
 - to decide and carry out the actual transactions enumerated 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 aforementioned transactions on the value of the share,
 - to allocate or re-assign 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
 - to generally carry out all necessary measures;
- 8) resolves that this authorisation is granted for a period of 18 months as of this meeting.

For the remaining period and not exceeding the unused portion, this authorisation supersedes the authorisation granted by the Combined General Meeting of 31 May 2016 in its twelfth resolution (authorisation of Company buyback of treasury shares).

SEVENTH AND EIGHTH RESOLUTIONS: NOTICE OF COMPENSATION ELEMENTS DUE OR AWARDED TO THE EXECUTIVE CHAIRMEN FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Purpose

The provisions of law no. 2016-1691 on transparency, anti-corruption and modernisation of the economy, of 9 December 2016 (the “Sapin II law”), including Articles L. 225-37-2 and L. 225-82-2 of the French Commercial Code, concerning the approval at the General Meeting of Shareholders of the principles and criteria for determining, distribution and allocation of fixed, variable and exceptional portions of compensation for Executive Corporate Officers (*ex-ante* vote), and subsequent approval of the amounts of compensation paid or allocated under these principles (*ex-post* vote) to executive and non-Executive Corporate Officers, do not apply to *sociétés en commandite par actions* (partnerships limited by shares) under Article L. 226-1 of the same Code which explicitly rules them out.

However, we will continue to comply with the AFEP-MEDEF corporate governance code (revised in November 2016) by submitting managers' compensation to an *ex-post* vote.

We remind you that the principles for setting the Executive Chairmen's compensation are outlined and capped in Article 17 of the Articles of Association as follows: each Executive Chairman is entitled to statutory compensation and, potentially, additional compensation, the maximum amount of which is set by the Ordinary General Meeting with the unanimous approval of the Active Partners. Within the limits of these ceilings, and taking notably into consideration the Group's performance for the past financial year, the Group's medium- and long-term strategic development challenges and the competitive environment in which it operates, on the recommendation of the CAG, the Active Partner decides each year on the actual compensation of each Executive Chairman:

1. fixed compensation (or additional compensation) was initially set by a decision of the Ordinary General Meeting of 31 May 2001, which limited it to €457,347.05 and specified indexing, upwards only, on the increase in the 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. In accordance with the principle thus determined and to facilitate understanding of the procedures for calculating the additional compensation of Executive Chairmen before indexing, the Company has always called it “fixed compensation”, by analogy with market practices;
2. the method for calculating variable compensation (or statutory compensation) stipulated in Article 17 of the Articles of Association has remained unchanged since it was introduced. It is capped at 0.20% of the Group's consolidated income before tax in the previous financial year. This calculation method naturally results in variability in this component of compensation of Executive Chairmen, and is transparent and does not guarantee a minimum amount. With an objective of clarity, the statutory compensation of Executive Chairmen is known as “variable compensation”, by analogy with market practices.

Changes to the two components of the compensation of Executive Chairmen depend upon objective and comprehensible quantitative criteria that have not changed for many years and that are public and predefined by nature. As per Article 26 of the Articles of Association, the Company pays Émile Hermès SARL, in its capacity as Active Partner, an amount equal to 0.67% of the distributable profit (being in 2017 – under the 2016 financial year – €7,311,168.66). However, this is not an executive compensation.

For the seventh and eighth resolutions, we propose issuing a favourable opinion on the elements of compensation due or awarded to the Executive Chairmen for the 2017 financial year presented in the two tables below. These resolutions, which constitute an *ex-post* vote, are proposed in accordance with Article 26.2 of the AFEP-MEDEF Corporate Governance Code (revised in November 2016).

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

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

You have previously been made aware of this information.

Elements of compensation	Amount or value accounted for in euros	Presentation
Seventh resolution: Mr Axel Dumas		
		In accordance with Article 17 of the Articles of Association, each Executive Chairman is entitled to statutory compensation and, potentially, additional compensation, of which the maximum amount is set by the Ordinary General Meeting, with the unanimous approval of the Active Partners. Changes to the two components of the compensation of Executive Chairmen depend upon objective and comprehensible quantitative criteria that have not changed for several years and that are public and predefined by nature.
Gross annual fixed compensation (or “additional” compensation according to the Articles of Association)	From 1 January to 31 December 2017: €1,354,303 <ul style="list-style-type: none"> Of which fixed component: €1,261,019 Of which the portion indexed on the increase in revenue: €93,284 	The General Meeting of 31 May 2001 decided to allocate to each Executive Chairman gross annual compensation in addition to their statutory compensation, subject to a limit of €457,347.05. This limit 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 (€2,178,417 for 2017). Within the limits defined above, the Executive Management Board of Émile Hermès SARL, Active Partner, sets the effective amount of the annual additional compensation payable to each Executive Chairman. The additional compensation of Mr Axel Dumas paid in 2017 was set by the Executive Management Board on 20 March 2017.
Gross annual variable compensation (or “statutory” compensation according to the Articles of Association)	From 1 January to 31 December 2017: €1,420,353	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 (€3,319,259 for 2017) for the previous financial year. Within the maximum amounts set forth herein, the Executive Management Board of the Active Partner Émile Hermès SARL shall determine the effective amount of the annual compensation of each Executive Chairman. Thus, no minimum statutory compensation is guaranteed for Executive Chairmen. The statutory compensation for Mr Axel Dumas paid in 2017 was set by the Executive Management Board on 20 March 2017.
Deferred variable compensation	Not applicable	The principle of the allocation of a deferred variable compensation is not provided.
Multi-year variable compensation	Not applicable	No multi-year compensation arrangement was implemented in 2017.
Exceptional compensation	Not applicable	The principle of such compensation is not provided.
Stock options, options on performance shares or any other type of long-term compensation (IFRS valuation at the date of allocation)	Stock options: n/a Performance-based shares: n/a Other items: n/a	No plan for stock options or performance-based shares benefiting the Executive Chairmen has been implemented during the 2017 financial year.
Compensation for assumption of duties	Not applicable	No such commitment exists.
Severance payment	€0	The Company has pledged to pay Mr Axel Dumas compensation in an amount equal to 24 months of total compensation (statutory compensation and additional compensation) in case of termination of his Executive Chairman functions (decision taken by the Supervisory Board on 4 June 2013 and approved by the General Meeting of 3 June 2014 – tenth resolution “approval of the commitments due to Mr Axel Dumas on termination of his appointment as Executive Chairman” – pursuant to Article L. 225-42-1 of the French Commercial Code (Code de commerce). The payment of a severance payment is subject to the subsequent termination of duties as Executive Chairman resulting: <ul style="list-style-type: none"> either from a decision taken by Mr Axel Dumas by reason of a change of control over the Company, a change in the Executive Chairman of Émile Hermès SARL, which is an Executive Chairman of the Company, or a change in the Company’s strategy; or from a decision taken by the Company. Moreover, the payment of such compensation is also subject to the following performance conditions, so that the conditions of his departure are in equilibrium with the situation of the Company: achieving budget targets in at least four out of the five previous years (with revenue and operating income growth measured at constant rates), without deterioration in the Hermès brand and corporate image. The Supervisory Board has considered that the deferred compensation commitment to Mr Axel Dumas meets the requirements of the AFEP-MEDEF Corporate Governance Code.

Elements of compensation	Amount or value accounted for in euros	Presentation
Non-competition payment	Not applicable	Mr Axel Dumas is not subject to any non-competition agreement, therefore no compensation is made in this category.
Supplementary pension plan	<p><i>With respect to Article 83:</i> No payment</p> <p><i>With respect to Article 39:</i> No payment</p>	<p><i>Defined-contribution pension plan (Article 83 of the French General Tax Code)</i> Mr Axel Dumas is eligible for the supplementary defined-contribution pension plan established for all employees of Hermès' French companies that have joined it (June 2013 decision by the Supervisory Board approved by the General Meeting of 3 June 2014 – fifth resolution “approval of related-party agreements and commitments” – in accordance with Article L. 225-40 of the French Commercial Code (Code de commerce)).</p> <p>As with all employees of the Group:</p> <ul style="list-style-type: none"> the defined-contribution pension plan is financed as follows: 1.1% for the reference compensation for an amount of 1x the annual social security ceiling (PASS), 3.3% for the reference compensation between 1x and 2x PASS inclusive, and 5.5% on the reference compensation between 2x and 6x PASS inclusive. Reference compensation means the gross annual compensation in accordance with Article L. 242-1 of the French Social Security Code (Code de la sécurité sociale); these premiums are shared between the company (90.91%) and the beneficiary (9.09%); the employer premiums are deductible from the taxable basis of the companies, subject to the Social Security payment at the rate of 20% and excluding the basis of the Social Security premiums within the higher of the two following values: 5% of the PASS or 5% of the compensation applied within the limit of 5 PASS. <p>For information, if Mr Axel Dumas had been able to liquidate his retirement entitlements on 31 December 2017, the estimated maximum gross amount of annual pension under the defined-contribution pension plan would be €3,164.</p> <p><i>Defined-benefit pension plan (Art. 39 of the French General Tax Code (Code général des impôts) – Article L. 137-11 of the French Social Security Code (Code de la sécurité sociale))</i> Mr Axel Dumas is also eligible for the supplementary pension plan established in 1991 for Company Senior Executives (4 June 2013 decision by the Supervisory Board, approved by the General Meeting of 3 June 2014 – fifth resolution “approval of related-party agreements and commitments” – in accordance with Article L. 225-40 of the French Commercial Code (Code de commerce)).</p> <p>This pension plan is not closed. It is financed by the Company through a contract with an outside insurance company, and premiums paid to this company are deductible from the corporate tax base. They are also subject to the employer's contribution to premiums at the rate of 24%. In addition, if applicable, provisions are included in the financial statements.</p> <p>As a fundamental condition of the pension regulations, in order to be eligible for the scheme, beneficiaries must have reached the end of their professional career with the Company, have at least ten years of seniority, and be eligible to draw pension benefits under the basic French social security regime.</p> <p>If all eligibility requirements are met, the annual pension under this plan, in accordance with the rules of the plan, would depend on:</p> <ul style="list-style-type: none"> the average yearly compensation for the last three years; a percentage depending on seniority and, in all cases, less than 3%. <p>Finally, the pension thus determined shall in no case exceed the amount of 8x the annual social security ceiling.</p> <p>For information, if Mr Axel Dumas had been able to liquidate his entitlements on 31 December 2017, the estimated maximum gross amount of the annual pension under the defined-benefit pension plans would be €41,853.</p>
Directors' fees	Not applicable	Executive Chairmen do not receive directors' fees, neither from the Company nor from its subsidiaries.
Valuation of benefits of any kind	€125	Mr Axel Dumas is eligible for a representation policy constituting his only benefit in kind. Mr Axel Dumas benefits from the collective and obligatory medical expenses plan, implemented by the Group for the benefit of all staff of entities in France who have adhered to this plan (decision made by the Supervisory Board on 19 March 2014).

Elements of compensation	Amount or value accounted for in euros	Presentation
Death and disability plan		<p>Mr Axel Dumas is eligible for the death and disability plan established by the Group for the benefit of all staff (AGIRC affiliated) of the entities in France that have joined this plan (decision taken by the Supervisory Board on 19 March 2014).</p> <p>It provides, as is the case for all employees, the following gross lifetime benefits:</p> <ul style="list-style-type: none"> (i) a disability pension at 51% of base compensation in case of Category 1 disability and 85% of base compensation in case of Category 2 or 3 disabilities. The base compensation (gross annual compensation) is limited to 8x the annual social security ceiling. The payment of the disability pension is discontinued when the recipient in question is no longer categorised as having a disability or permanent impairment and, at the latest, the day of the normal or early liquidation of the old age insurance pension from a compulsory retirement plan, for any reason whatsoever; (ii) a death benefit equal to a maximum of 380% of the reference compensation, capped at 8x PASS, depending on the family situation; (iii) contributions to the insurance funds are distributed between the Company (1.54% for tranche A, and 1.64% for tranches B and C) and the recipient (1.06% for tranche A and 1.16% for tranches B and C); (iv) these contributions are deductible from the tax base of companies, subject to the forfait social (corporate social contribution) at the rate of 8%, and excluded from the base of social security contributions, within the limit of an amount equal to the sum of 6% of PASS and 1.5% of earnings retained in the limit of 12x PASS.

n/a: not applicable.

Elements of compensation	Amount or value accounted for in euros	Presentation
Eighth resolution: Émile Hermès SARL		
		<p>In accordance with Article 17 of the Articles of Association, each Executive Chairman is entitled to statutory compensation and, potentially, additional compensation, of which the maximum amount is set by the Ordinary General Meeting, with the unanimous approval of the Active Partners.</p> <p>Changes to the two components of the compensation of Executive Chairmen depend upon objective and comprehensible quantitative criteria that have not changed for several years and that are public and predefined by nature.</p>
Gross annual fixed compensation (or "additional" compensation according to the Articles of Association)	From 1 January to 31 December 2017: €500,000	<p>The General Meeting of 31 May 2001 decided to allocate to each Executive Chairman gross annual compensation in addition to their statutory compensation, subject to a limit of €457,347.05. This limit 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 (€2,178,417 for 2017). Within the limits defined above, the Executive Management Board of Émile Hermès SARL, Active Partner, sets the effective amount of the annual additional compensation payable to each Executive Chairman.</p> <p>The additional compensation paid to Émile Hermès SARL in 2017 was set by the Executive Management Board on 20 March 2017.</p>
Gross annual variable compensation (or "statutory" compensation according to the Articles of Association)	From 1 January to 31 December 2017: €756,409	<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 (€3,319,259 for 2017) for the previous financial year. Within the maximum amounts set forth herein, the Executive Management Board of the Active Partner Émile Hermès SARL shall determine the effective amount of the annual compensation of each Executive Chairman. Thus, no minimum statutory compensation is guaranteed for Executive Chairmen.</p> <p>Salary compensation paid to Émile Hermès SARL was set by the Executive Management Board on 20 March 2017.</p>
Deferred variable compensation	Not applicable	The principle of the allocation of a deferred variable compensation is not provided.
Multi-year variable compensation	Not applicable	No multi-year compensation arrangement was implemented in 2017.
Exceptional compensation	Not applicable	The principle of such compensation is not provided.

Elements of compensation	Amount or value accounted for in euros	Presentation
Share options, performance-based shares or any other element of long-term compensation (IFRS accounting valuation at the date of allocation)	Stock options: n/a Performance shares: n/a Other elements: n/a	No plan for stock options or performance-based shares benefiting the Executive Chairmen has been implemented during the 2017 financial year. Émile Hermès SARL, a legal entity, is not eligible for the stock option or performance-based share plans.
Compensation for assumption of duties	Not applicable	No such commitment exists.
Severance payment	Not applicable	No such commitment exists.
Non-competition payment	Not applicable	No such commitment exists.
Supplementary pension plan	Not applicable	Émile Hermès SARL, a legal entity, is not eligible for a supplementary pension plan.
Directors' fees	Not applicable	Executive Chairmen do not receive directors' fees, neither from the Company nor from its subsidiaries.
Valuation of benefits of any kind	Not applicable	Émile Hermès SARL does not receive benefits of any kind.

n/a: not applicable.

Seventh resolution:

Notice regarding elements of compensation due or awarded for the financial year ended 31 December 2017 to Mr Axel Dumas, Executive Chairman

The General Meeting, consulted in application of the recommendation of § 26.2 of the AFEP-MEDEF Corporate Governance Code of November 2017, which constitutes the reference code used by the Company pursuant to Article L. 225-37 of the French Commercial Code (*Code de commerce*), having fulfilled the quorum and majority requirements for Ordinary General Meetings, gives a favourable opinion on elements of compensation due or awarded for the financial year ended 31 December 2017 to Mr Axel Dumas under his mandate as Executive Chairman, as presented in the statement of proposed resolutions.

Eighth resolution:

Notice regarding elements of compensation due or awarded for the financial year ended 31 December 2017 to Émile Hermès SARL, Executive Chairman

The General Meeting, consulted in application of the recommendation of § 26.2 of the AFEP-MEDEF Corporate Governance Code of November 2017, which constitutes the reference code used by the Company pursuant to Article L. 225-37 of the French Commercial Code (*Code de commerce*), having fulfilled the quorum and majority requirements for Ordinary General Meetings, gives a favourable opinion on elements of compensation due or awarded for the financial year ended 31 December 2017 to Émile Hermès SARL under its mandate as Executive Chairman, as presented in the statement of proposed resolutions.

NINTH, TENTH, ELEVENTH AND TWELFTH RESOLUTIONS: **RE-ELECTION OF SUPERVISORY BOARD MEMBERS****Purpose**

The terms of three members of the Supervisory Board (Ms Monique Cohen, Mr Renaud Momméja and Mr Éric de Seynes) expire at the end of this meeting.

Given the upcoming expiry of their mandates, in the ninth, tenth and eleventh resolutions, the Active Partner proposes that you renew, for the statutory period of three years, the mandates of the following members of the Supervisory Board:

- ♦ Mr Matthieu Dumas;
- ♦ Mr Blaise Guerrand;
- ♦ Mrs Olympia Guerrand.

These three mandates will thus expire at the end of the General Meeting called in 2021 to approve the financial statements for the financial year ended 31 December 2020.

In the twelfth resolution, the Active Partner proposes that you re-elect, for the statutory period of one year, the following member of the Supervisory Board:

- ♦ Mr Robert Peugeot.

This mandate will thus expire at the end of the General Meeting called in 2019 to approve the financial statements for the financial year ended 31 December 2018.

On 19 January 2019 Robert Peugeot will reach 12 years as member of the Supervisory Board.

To replace him in soon as possible and in the best conditions by a new member of the Supervisory Board with independent status at the General Meeting of Shareholders in 2019, the Supervisory Board considered that it was preferable that the proportions of independent members on the Board (25%) and on the Audit Committee (40%) should be slightly lower than the requirements of the AFEP-MEDEF Code for a short period of several months rather than eliminating one of the criteria of independence concerning Mr Robert Peugeot.

Information on the persons whose re-election is submitted for your approval is provided on pages 17, 18 and 19.

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Ninth resolution:**Re-election of Mr Matthieu Dumas as Supervisory Board member for a term of three years**

On a proposal from the Active Partner, the General Meeting, acting under the quorum and majority requirements applicable to Ordinary General Meetings, renews, as a member of the Supervisory Board the term of Mr Matthieu Dumas

Pursuant to Article 18.2 of the Articles of Association, his mandate for a period of three years, will expire at the end of the Annual Ordinary General Meeting called in 2021 to approve the financial statements for the financial year ended 31 December 2020.

Mr Matthieu Dumas has indicated that he is prepared to accept the renewal of his term, and that he is not legally prohibited from doing so in any manner whatsoever.

Tenth resolution:**Re-election of Mr Blaise Guerrand as Supervisory Board member for a term of three years**

On a proposal from the Active Partner, the General Meeting, acting under the quorum and majority requirements applicable to Ordinary General Meetings, renews, as a member of the Supervisory Board the term of Mr Blaise Guerrand

Pursuant to Article 18.2 of the Articles of Association, his mandate for a period of three years, will expire at the end of the Annual Ordinary General Meeting called in 2021 to approve the financial statements for the financial year ended 31 December 2020.

Mr Blaise Guerrand has indicated that he is prepared to accept the renewal of his term, and that he is not legally prohibited from doing so in any manner whatsoever.

Eleventh resolution:**Re-election of Mrs Olympia Guerrand as Supervisory Board member for a term of three years**

On a proposal from the Active Partner, the General Meeting, acting under the quorum and majority requirements applicable to Ordinary General Meetings, renews, as a member of the Supervisory Board the term of

Mrs Olympia Guerrand

Pursuant to Article 18.2 of the Articles of Association, his mandate for a period of three years, will expire at the end of the Annual Ordinary General Meeting called in 2021 to approve the financial statements for the financial year ended 31 December 2020.

Mrs Olympia Guerrand has indicated that she is prepared to accept the renewal of her term, and that she is not legally prohibited from doing so in any manner whatsoever.

Twelfth resolution:**Re-election of Mr Robert Peugeot as Supervisory Board member for a term of one year**

On a proposal from the Active Partner, the General Meeting, acting under the quorum and majority requirements applicable to Ordinary General Meetings, renews, as a member of the Supervisory Board the term of

Mr Robert Peugeot

Following the recommendation of the Supervisory Board, his mandate for a period of one year, will expire at the end of the Annual Ordinary General Meeting called in 2019 to approve the financial statements for the financial year ended 31 December 2018.

Mr Robert Peugeot has indicated that he is prepared to accept the renewal of his term, and that he is not legally prohibited from doing so in any manner whatsoever.

EXTRAORDINARY BUSINESS

THIRTEENTH RESOLUTION: AUTHORISATION TO REDUCE SHARE CAPITAL BY CANCELLATION OF SHARES

Purpose

For the thirteenth resolution, we ask you to renew the authorisation granted to the Executive Management to, on one or more occasions, in the amounts and at the times it so decides, cancel all or part of the shares purchased by the Company under the programme to purchase its own shares. This authorisation would enable the Company to cancel shares issued to cover stock options that are no longer exercisable or that have expired.

Limit

Up to a maximum of 10% of the share capital per 24-month period.

Duration of the authorisation

This authorisation would be valid for 24 months from the date of the General Meeting.

On page 345 of the 2017 Registration document, you will find the Statutory Auditors' report on the thirteenth resolution.

Thirteenth resolution:

Authorisation granted to Executive Management to reduce the share capital by cancellation of all or part of the treasury shares held by the Company (Article L. 225-209 of the French Commercial Code (*Code de commerce*)) – general cancellation programme

The General Meeting, acting under the quorum and majority requirements applicable to 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 French Commercial Code (*Code de commerce*), hereby authorises the Executive Management to reduce the share capital on one or more occasions, in the amounts and at the times it so decides, by cancelling some or all of the shares acquired by the Company in connection with the share buyback programme referred to in the sixth resolution (authorisation of the Company to buy back its treasury shares) submitted to this General Meeting and/or pursuant to any authorisation

granted by a past or future General Meeting, up to a maximum of 10% of the share capital per 24 month period. The General Meeting delegates to the Executive Management full powers for purposes of this delegation, 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 cancellations authorised by the present resolution;
- ♦ to amend the Company's Articles of Association accordingly, and to undertake all necessary formalities.

This delegation is granted to the Executive Management for a period of 24 months.

For the remaining period and not exceeding the unused portion, it supersedes the authorisation granted by the Combined General Meeting of 6 June 2017 in its seventeenth resolution (authorisation to reduce share capital by cancellation of shares).

4

FOURTEENTH RESOLUTION: AUTHORITY

Purpose

The fourteenth resolution is a common resolution making it possible to undertake all the legal formalities of filing and disclosure required by law after the General Meeting.

Fourteenth resolution:

Delegation of authority to carry out the formalities related to the General Meeting

Acting under the quorum and majority requirements applicable to Extraordinary General Meetings, 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.

5 REPORT OF THE SUPERVISORY BOARD

SUPERVISORY BOARD'S REPORT TO THE COMBINED GENERAL MEETING OF 5 JUNE 2018

In accordance with legal and regulatory requirements, we hereby present our report for the year ended 31 December 2017.

We first wish to inform you that:

- ◆ the Executive Management has kept us regularly informed of the Company's business operations and results;
- ◆ the statement of financial position, statement of profit or loss and notes thereto have been provided to us as required by law;
- ◆ transactions subject to prior approval by the Supervisory Board under the terms of special provisions contained in the Company's Articles of Association have been duly approved by us, as is duly demonstrated hereafter;
- ◆ the Supervisory Board has met on a regular basis to decide on various matters within its exclusive competence, under the terms of the Articles of Association.

1. OBSERVATIONS ABOUT THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

In the light of the comprehensive review already provided, we have no specific comments on the business performance or on the financial statements for the year ended 31 December 2016. We recommend that you approve the financial statements.

2. ALLOCATION OF NET INCOME

On 7 February 2018, the Executive Management decided to pay an interim dividend of €1.50 per share. This interim dividend was paid on 22 February 2018.

We recommend that you approve the proposed allocation of net income as set out in the draft resolutions submitted to you for approval, calling for a net ordinary dividend of €4.10 per share and an exceptional dividend of €5.00.

After deduction of the interim dividend, the balance of €7.60 per share will be detached as of 7 June 2018 and paid on 11 June 2018, following the positions adopted on 8 June 2018.

3. RELATED-PARTY AGREEMENTS AND COMMITMENTS

Executive Management has informed us of draft agreements in the year ended 31 December 2017 and falling under the combined provisions of Articles L. 226-10, L. 225-38 to L. 225-43 of the French Commercial Code (*Code de commerce*), and submitted them to us for prior approval. You will find, in the explanatory statement on page 326, a

succinct presentation of the agreements and commitments authorised in the 2017 financial year. The agreements and commitments approved previously by the General Meeting are presented in the Statutory Auditors' special report on the agreements and commitments mentioned in Articles L. 226-10, L. 225-38 to L. 225-43 of the French Commercial Code (*Code de commerce*) that appears on pages 44 to 47.

None of these agreements changed significantly in their amounts or financial terms in 2017.

In 2017, no agreement was downgraded for no longer meeting the criteria to be considered a related-party agreement due to a change in circumstances.

Pursuant to Article L. 225-38 of the French Commercial Code (*Code de commerce*) amended by ordinance 2014-863 of 31 July 2014, the authorisation decisions of the Supervisory Board as of 1 August 2014 are all reasoned decisions. A review of regulated agreements and commitments has been carried out by the Supervisory Board every year since 2013, in accordance with proposal no. 27 of AMF recommendation no. 2012-05 regarding Shareholders' General Meetings of listed companies that were incorporated in the French Commercial Code (*Code de commerce*) (Article L. 225-40-1) by the above-cited ordinance.

Following the review in 2017, the Board had no comments to make.

4. ACTIVITY OF THE SUPERVISORY BOARD

On pages 147 to 148 of the 2017 Registration document of the Corporate Governance report of the Supervisory Board you will find the 2017 activity of the Supervisory Board.

5. COMPOSITION OF THE SUPERVISORY BOARD

We fully support the recommendation made to you in the presentation of purposes on page 33 to:

- ◆ renew, for the statutory period of three years, the mandates that are set to expire for:
 - Mr Matthieu Dumas,
 - Mr Blaise Guerrand,
 - Mrs Olympia Guerrand;
- ◆ renew, for one period of year, the expiring term of:
 - Mr Robert Peugeot.

On page 140 of the 2017 Registration document of the corporate governance report of the Supervisory Board you will find a progress report of the mission to change the composition of the Supervisory Board, entrusted since 2011 to the Compensation, Appointments and Governance Committee.

6. RECOMMENDATIONS ON PROPOSED RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 5 JUNE 2018

We are in favour of all the proposed resolutions submitted to you.

This concludes our report on the information and opinions we considered necessary to bring to your attention in connection with the present General Meeting, and we recommend that you vote to approve all the resolutions submitted to you.

The Supervisory Board

6 SUMMARY TABLE OF THE USE OF FINANCIAL DELEGATIONS OF AUTHORITY

FINANCIAL AUTHORISATIONS

SUMMARY TABLE OF THE USE OF FINANCIAL DELEGATIONS OF AUTHORITY

In accordance with Article L. 225-100 par 7 of the French Commercial Code, the table below shows all the delegations of competence and powers granted by the General Meeting to Executive Management in financial matters: delegations that remain valid, delegations used during the 2017 financial year where applicable, and new delegations put to the General Meeting of 5 June 2018.

	Resolution number	Duration of the authorisation (expires)	Characteristics	Use in 2017
GENERAL MEETING OF 2 JUNE 2015				
In accordance with Article L. 233-32 of the French Commercial Code, the following delegations of authority granted under the 16 th (incorporation of reserves), 17 th (issue with preferential subscription rights), 18 th (issue with cancellation of subscription rights), 19 th (capital increase reserved for members of a company or group savings plan), 20 th (issue by private placement) and 21 st (issue in consideration for contributions in kind) resolutions may be implemented during a public offering.				
Capital increase by capitalisation of reserves, earnings and/or premiums and/or free allocation of shares and/or increase in the par value of existing shares	16 th	26 months (2 August 2017) ¹	The nominal amount of capital increases that may be carried out immediately and/or in the future under this delegation may not be greater than 40% of the share capital on the date of the General Meeting with any capital increases carried out in accordance with this delegation not offset against the ceiling common to the delegations granted under the 17 th , 18 th , 19 th , 20 th and 21 st resolutions.	None
Issues of shares and/or any securities giving access to capital with maintenance of preferential subscription rights	17 th	26 months (2 August 2017) ¹	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 40% of the share capital on the date of the General Meeting with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted in the 17 th , 18 th , 19 th , 20 th and 21 st resolutions. Discount fixed at 20% of the average of the prices quoted for the Company's share during the twenty trading days preceding the day of the decision setting the date of opening of subscriptions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than one billion euros, this limit being common to the 17 th , 18 th , 20 th and 21 st resolutions. None

(1) This authorisation was cancelled, for the remaining duration and for the unused fraction, by new delegations of the same nature authorised by the General Meeting of 6 June 2017.

SUMMARY TABLE OF THE USE OF FINANCIAL DELEGATIONS OF AUTHORITY
FINANCIAL AUTHORISATIONS

	Resolution number	Duration of the authorisation (expires)	Characteristics		Use in 2017
Issue of shares and/or any other securities giving access to capital, with elimination of preferential subscription rights, but with the right to introduce a priority period through a public offer	18 th	26 months (2 August 2017) ¹	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 40% of the share capital on the date of the General Meeting with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted in the 17 th , 18 th , 19 th , 20 th and 21 st resolutions. Discount fixed at 20% of the average of the prices quoted for the Company's share during the twenty trading days preceding the day of the decision setting the date of opening of subscriptions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than one billion euros, this limit being common to the 17 th , 18 th , 20 th and 21 st resolutions.	None
Capital increase without preferential subscription rights in favour of members of a savings plan	19 th	26 months (2 August 2017) ¹	The nominal amount of capital increases that may be carried out immediately and/or in future under the 19th resolution (capital increase reserved for members of a Company or Group savings plan) may not exceed 1% of the share capital, this limit being offset against the 40% ceiling common to the delegations granted under the 17 th , 18 th , 19 th , 20 th and 21 st resolutions. Discount fixed at 20% of the average of the prices quoted for the Company's share during the twenty trading days preceding the day of the decision setting the date of opening of subscriptions.		None
Issue of shares and/or any other securities giving access to capital without preferential rights by private placement covered by Article L. 411-2, II of the French Monetary and Financial Code.	20 th	26 months (2 August 2017) ¹	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 20% per year of the share capital on the date of the General Meeting with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 17 th , 18 th , 19 th , 20 th and 21 st resolutions. Discount fixed at 20% of the average of the prices quoted for the Company's share during the twenty trading days preceding the day of the decision setting the date of opening of subscriptions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than one billion euros, this limit being common to the 17 th , 18 th , 20 th and 21 st resolutions.	None

(1) This authorisation was cancelled, for the remaining duration and for the unused fraction, by new delegations of the same nature authorised by the General Meeting of 6 June 2017.

SUMMARY TABLE OF THE USE OF FINANCIAL DELEGATIONS OF AUTHORITY

FINANCIAL AUTHORISATIONS

	Resolution number	Duration of the authorisation (expires)	Characteristics	Use in 2017
Issue of shares and/or securities giving access to capital, without preferential rights, in order to pay for contributions in kind granted to the Company relating to equity securities or securities giving access to capital.	21 st	26 months (2 August 2017) ¹	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 10% of the share capital on the date of the General Meeting with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 17 th , 18 th , 19 th , 20 th and 21 st resolutions. Discount fixed at 20% of the average of the prices quoted for the Company's share during the twenty trading days preceding the day of the decision setting the date of opening of subscriptions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than one billion euros, this limit being common to the 17 th , 18 th , 20 th and 21 st resolutions.
GENERAL MEETING OF 31 MAY 2016				
In accordance with Article L. 233-32 of the French Commercial Code, the delegations of authority granted below under the 14 th (purchase options) and 15 th (free shares) resolutions may be implemented during a public offering.				
Purchase of shares	12 th	18 months (30 November 2017) ¹	Ceiling of 10% of the share capital Maximum purchase price €500 Maximum funds committed €1,000 million	See pages 299 to 301 of the 2017 Registration document
Cancellation of treasury shares (general cancellation programme)	13 th	24 months (31 May 2018) ¹	Limit of 10% of the capital	

(1) This authorisation was cancelled, for the remaining duration and for the unused fraction, by new delegations of the same nature authorised by the General Meeting of 6 June 2017.

SUMMARY TABLE OF THE USE OF FINANCIAL DELEGATIONS OF AUTHORITY
FINANCIAL AUTHORISATIONS

	Resolution number	Duration of the authorisation (expires)	Characteristics	Use in 2017
Granting stock options	14 th	38 months (31 July 2019)	<p>The number of stock options granted under the 14th resolution and the number of free shares granted under the 15th resolution may not represent a number of shares greater than 2% of the total number of existing shares at the time of the grant without taking into account those already granted under previous authorisations.</p>	<p>The purchase price of the shares shall be set by Executive Management within the limits and according to the procedures specified in Article L. 225-177 par 4 of the French Commercial Code and shall be at least equal to the average of the prices quoted on the regulated Euronext Paris market during the twenty trading days preceding the granting of the options without being less than 80% of the average purchase price of the shares held. In the event one or more Executive Chairmen are granted stock options:</p> <ul style="list-style-type: none"> ♦ the Company must meet one or more of the conditions specified in Article L. 225-186-1 of the French Commercial Code; ♦ the stock options may not be exercised before the Executive Chairmen cease their duties unless a number of shares resulting from the exercise of options has been set which must be kept registered until the cessation of their duties; ♦ the exercise price of the options includes no discount; ♦ the options granted are subject to strict and demanding performance conditions to be met over several years and defined at the time of issuance; ♦ the maximum percentage of shares to which Executive Chairmen may subscribe by virtue of their options under this resolution is 0.05% of the share capital at the date on which Executive Management decides to grant them, this sublimit being offset against the 2% ceiling common to the delegations under the 14th and 15th resolutions.

SUMMARY TABLE OF THE USE OF FINANCIAL DELEGATIONS OF AUTHORITY

FINANCIAL AUTHORISATIONS

	Resolution number	Duration of the authorisation (expires)	Characteristics	Use in 2017
Free allocations of the Company's existing ordinary shares	15 th	38 months (31 July 2019)	The number of stock options granted under the 14 th resolution and the number of free shares granted under the 15 th resolution may not represent a number of shares greater than 2% of the total number of existing shares at the time of the grants without taking into account those already granted under previous authorisations.	In the event one or more Executive Chairmen are granted free shares: <ul style="list-style-type: none"> ♦ the Company must fulfil one or more of the conditions specified in Article L. 225-197-6 of the French Commercial Code; ♦ the shares granted may not be sold before the Executive Chairmen cease their duties unless a number of these shares has been set which must be kept registered until the cessation of their duties; ♦ the free shares granted are subject to strict and demanding performance conditions to be met over several years and defined at the time of issuance; ♦ the maximum percentage of free shares that may be granted is 0.05%, this sublimit being offset against the 2% ceiling common to the delegations under the 14th and 15th resolutions.

GENERAL MEETING OF 6 JUNE 2017

In accordance with Article L. 233-32 of the French Commercial Code, the following delegations of authority granted under the 18th (incorporation of reserves), 19th (issue with preferential rights), 20th (issue without preferential rights), 21st (capital increase reserved for members of a company or group savings plan), 22nd (issue by private placement) and 23rd (issue in consideration for contributions in kind) resolutions may be implemented during a public offering.

Purchase of shares	6 th	18 months (6 December 2018) ²	Limit of 10% of the capital Maximum purchase price €600 Maximum funds committed €1,500 million	See pages 299 to 301 of the 2017 Registration document
Cancellation of treasury shares (general cancellation programme)	17 th	24 months (6 June 2019) ²	Limit of 10% of the capital	None
Capital increase by capitalisation of reserves, earnings and/or premiums and/or free allocation of shares and/or increase in the par value of existing shares	18 th	26 months (6 August 2019)	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 40% of the share capital on the date of the General Meeting with any capital increases carried out in accordance with this delegation not offset against the ceiling common to the delegations granted under the 19 th , 20 th , 21 st , 22 nd and 23 rd resolutions.	None
Issues of shares and/or any securities giving access to capital with preferential rights	19 th	26 months (6 August 2019)	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 40% of the share capital on the date of the General Meeting with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 19 th , 20 th , 21 st , 22 nd and 23 rd resolutions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than one billion euros, this limit being common to the 19 th , 20 th , 21 st , 22 nd and 23 rd resolutions.

(2) These delegations are intended to be cancelled, for the remaining duration and for the unused fraction, in case of the adoption of new resolutions concerning new delegations of the same nature by the General Meeting of 5 June 2018.

SUMMARY TABLE OF THE USE OF FINANCIAL DELEGATIONS OF AUTHORITY
FINANCIAL AUTHORISATIONS

	Resolution number	Duration of the authorisation (expires)	Characteristics		Use in 2017
Issue of shares and/or any other securities giving access to capital without preferential rights but with the right to introduce a priority period through a public offer	20 th	26 months (6 August 2019)	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 40% of the share capital on the date of the General Meeting with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 19 th , 20 th , 21 st , 22 nd and 23 rd resolutions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than one billion euros, this limit being common to the 19 th , 20 th , 21 st , 22 nd and 23 rd resolutions.	None
Capital increase by way of the issue of shares and/or securities giving access to capital reserved for members of a company or group savings plan without preferential rights.	21 st	26 months (6 August 2019)	The nominal amount of capital increases that may be carried out under this resolution may not exceed 1% of the share capital on the date of the General Meeting, this ceiling being offset against the 40% ceiling common to the delegations granted under the 19 th , 20 th , 21 st , 22 nd and 23 rd resolutions. Discount fixed at 20% of the average of the prices quoted for the Company's share on the regulated Euronext Paris market during the twenty trading days preceding the day of the decision setting the date of opening of subscriptions. Possibility of substituting all or part of the discount by granting free shares giving access to the Company's share capital, to reduce or not agree to a discount, within the legal or regulatory limits.		None
Issue of shares and/or any other securities giving access to capital without preferential rights by private placement covered by Article L. 411-2, II of the French Monetary and Financial Code.	22 st	26 months (6 August 2019)	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed the limit provided for by the regulations applicable on the day of the issue (20% of the capital per year at the date of the General Meeting) with the capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 19 th , 20 th , 21 st , 22 nd and 23 rd resolutions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than one billion euros, this limit being common to the 17 th , 18 th , 20 th and 21 st resolutions.	None
Issue of shares and/or securities giving access to capital without preferential rights in order to pay for contributions in kind granted to the Company relating to equity securities or securities giving access to capital.	23 rd	26 months (6 August 2019)	The nominal amount of capital increases that may be carried out immediately and/or in future under this delegation may not exceed 10% of the share capital on the date of the General Meeting with any capital increases carried out in accordance with this delegation offset against the 40% ceiling common to the delegations granted under the 19 th , 20 th , 21 st , 22 nd and 23 rd resolutions.	The nominal amount of debt securities that may be issued immediately and/or in future under this delegation may not be greater than one billion euros, this limit being common to the 19 th , 20 th , 21 st , 22 nd and 23 rd resolutions.	None

7 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

General Meeting to approve the financial statements

Year ended 31 December 2017

To the General Meeting of Hermès International

We, in our capacity as your Company's Statutory Auditors, are presenting our report to you on related-party agreements and commitments.

Our responsibility is to report to you, based on the information provided to us, on the main terms and conditions, and the grounds for the Company's best interest, 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 French Commercial Code (*Code de commerce*), it is your responsibility to determine whether the agreements and commitments are appropriate and should be approved.

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

We performed the procedures that we deemed necessary in accordance with professional practice as per the French national auditing body, *Compagnie nationale des commissaires aux comptes*, relating to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments to be submitted for the approval of the General Meeting

Agreements and commitments authorised and concluded during the past year

In accordance with article L226-10 of the Commercial Code we were informed of the following agreements and commitments which were concluded during the past financial year, and which received the prior authorisation of your Supervisory Board.

a) Trademark licence agreements

Persons concerned

- ♦ Hermès International, direct or indirect shareholder with an interest of more than 10% in the licensed companies;
- ♦ For Comptoir Nouveau de la Parfumerie: Mr Matthieu Dumas, Supervisory Board member of Hermès International and director of Comptoir Nouveau de la Parfumerie;

- ♦ For Hermès Sellier: For Hermès Sellier: Mr Éric de Seynes and Mr Blaise Guerrand, Supervisory Board members of Hermès International and members of the Management Board of Hermès Sellier;

- ♦ For La Montre Hermès Mr Axel Dumas, Executive Chairman of Hermès International and director of La Montre Hermès.

Nature, purpose and provisions

On 27 January 2017 your Supervisory Board authorised the renewal by amendments, of the Trademark License Agreements and their amendments which expired on 31 December 2016 in order to:

- ♦ transform them into agreements of unlimited duration with the possibility for each party to terminate them at any time on condition of a written advance notice of at least one year; and
- ♦ to update the list of brand names under that license to include the new brand names that have been registered since the last amendment.

There was no financial impact from transforming these licences into unlimited duration agreements.

The trademark license agreements and their amendments resulted in the payment of the following royalties during the 2017 financial year:

Company	Amount of the royalties paid in respect of 2017
Hermès Sellier	€108.251.531
Comptoir Nouveau de la Parfumerie	€13.276.351
La Montre Hermès	€3.456.068

Grounds for the Company's best interest

As the Trademark license agreements concluded by Hermès International with the said persons involving the "HERMES" trademarks and the other trademarks exploited by these companies expired on 31 December 2016 they had to be renewed.

b) Restaurant services agreement with MOCE

Person concerned

Mr Charles-Eric Bauer, the majority shareholder in MOCE and a member of Hermès International's Supervisory board.

Nature, purpose and provisions

On 6 June 2017 your supervisory board authorised the conclusion of a contract between Hermès International and MOCE ("EatMe" trading sign) for the supply of fast food restaurant services on the Hermès International site at 12-12, rue d'Anjou 75008 Paris.

Grounds for the Company's best interest

As part of a public tender process, Hermès International put several fast food service providers into competition. MOCE was selected in view of its commercial offer. This latter did not present any fixed expenses and specified planning the space in harmony with the building.

In 2017, billing for this service came to €60,323.

c) New framework contract with RDAI

Person concerned

Mrs Sandrine Brekke, owner of more than a 10% interest in RDAI and member of the Executive Management Board of Émile Hermès SARL, Executive Chairwoman of Hermès International.

Nature, purpose and provisions

Your Supervisory Board meetings dated 7 July 2017 and 13 September 2017 approved a new framework agreement between your company and RDAI defining the outlines of RDAI's assignments concerning the exclusive application of the Architectural Concept for Hermès projects.

This agreement had no effect on your Company in 2017.

Grounds for the Company's best interest

The objective of the Concept created by RDAI is to allow a qualitative and easy identification of the stores and sales points distributing Hermès products throughout the world.

This new agreement aims to integrate the changes in the organisation of Hermès (DDI, purchasing policy, digital), to specify the obligations and roles of the parties and adjust the conditions of execution to the realities of the Hermès projects. The analysis of the renegotiated agreement led to the conclusion that the changes made are, essentially, for Hermès International, both concerning the obligations of RDAI and its remuneration.

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 French Commercial Code (Code de commerce), 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 with Émile Hermès SARL

Person concerned

Émile 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 your Company to enter into a service agreement with Émile 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.

In 2017, billing for services provided under the terms of this agreement amounted to €221,142.

b) Design mission contract with the RDAI firm

Person concerned

Mrs Sandrine Brekke, owner of more than a 10% interest in RDAI and member of the Executive Management Board of Émile Hermès SARL, Executive Chairwoman of Hermès International.

Nature, purpose and provisions

At its meetings of 3 July 2015 and 20 November 2015, the Supervisory Board authorised:

- ◆ an agreement between Hermès International and the architectural firm RDAI to undertake an assignment to design the office interior located 10-12 rue d'Anjou in Paris, on several floors and including procurement of furniture;
- ◆ an amendment to that agreement commissioning RDAI to undertake two studies, namely: (i) fitting out an additional level, and (ii) changing the programming and placement of some spaces for the other levels.

This agreement had no effect in 2017.

c) Design mission contract with the RDAI firm

Person concerned

Mrs Sandrine Brekke, owner of more than a 10% interest in RDAI and member of the Executive Management Board of Émile Hermès SARL, Executive Chairwoman of Hermès International.

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 your Company and the architectural firm RDAI to undertake an assignment to design Hermès stores.

This agreement was ineffective in 2017 and ended after the conclusion of the new framework agreement previously referred to.

d) Trademark licence agreements

Person concerned

- ◆ Hermès International, direct or indirect shareholder with an interest of more than 10% in the licensed companies.

Nature, purpose and provisions

The Trademark License Agreements stipulate the following royalty for Faubourg Italia

Company	Duration	Amount of the royalties paid in respect of 2017
Faubourg Italia	10 years, from 18 February 2011	€172,995

e) Deferred compensation commitments to a 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 Executives. As a fundamental condition of the pension regulations, in order to be eligible for the scheme, beneficiaries must have reached the end of their professional career with the Company, have at least ten years of seniority, and be eligible to draw pension benefits under the basic French social security regime. The annual pension resulting from this scheme, if all the conditions of eligibility are fulfilled, would be calculated based on the average compensation in respect of the last three years, and may not exceed eight times the annual 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 of statutory compensation and supplemental compensation). This commitment had been made subject to the realisation of the following performance conditions, so that the conditions of his departure are in equilibrium with the situation of the Company: achieving budget targets in at least four out of the five previous years (with revenue and operating income growth measured at constant rates), without deterioration in the Hermès brand and corporate image.

Le versement de cette indemnité sera subordonné au fait que la cessation des fonctions résulte :

- 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 Émile Hermès SARL, or a change in the Company's strategy,
- or from a decision taken by the Company.

f) Maintenance, for a Corporate Officer, of collective health and welfare insurance in force in the Company for employees and Corporate Officers

Person concerned

Mr Axel Dumas, Executive Chairman of Hermès International.

Nature, purpose and provisions

On 19 March 2014, your Supervisory Board authorised the continuation, for Mr Axel Dumas, of the collective benefits regarding health expenses and pension in force in the Hermès Group companies.

g) Employment contract of a Supervisory Board member

Person concerned

Mrs Julie Guerrand, Supervisory Board member of Hermès International.

Nature, purpose and provisions

On 3 March 2011 your supervisory board approved the transfer of Mrs Julie Guerrand's Employment contract dated 1 October 2014 to the Hermès Leather Goods division.

h) Non-competition commitment of a former Corporate Officer

Person concerned

Mr Patrick Thomas (former Executive Chairman of Hermès International).

Nature, purpose and provisions

At its meeting on 20 November 2013, your Supervisory Board authorised the signing of a non-competition commitment under the terms set out below:

- i) Mr Patrick Thomas undertook, for a period of ten years, 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 area: Europe and Asia;
- ii) this commitment not to compete took effect from the date of Mr Thomas's departure from the Group;
- iii) this commitment is compensated in the amount of €966,300 per year for four years, on 1 February 2014, 2015, 2016 and 2017.

The amount paid by Hermès International in respect of 2017 was €966,300.

i) Compensation of members of specialised committees

Persons concerned

- ◆ Mrs Monique Cohen;
- ◆ Mrs Dominique Senequier;
- ◆ Mrs Sharon MacBeath;
- ◆ Mr Charles-Éric Bauer;
- ◆ Mr Matthieu Dumas;
- ◆ Mr Renaud Mommeja;
- ◆ Mr Robert Peugeot.

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS
 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

Nature, purpose and provisions

The compensation of the Audit Committee and the Compensation, Appointments and Governance Committee (CAG) members was set as follows, from 2017:

	Annual fixed amount	Maximum annual variable amount ¹	Maximum total
Chairman of the Audit Committee	€28.000		€28.000
Audit Committee members	€5.200	€7.800	€13.000
Chairman of the CAG	€28.000		€28.000
CAG members	€5.200	€7.800	€13.000

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

For 2017, the total amount owed by Hermès International with regard to their duties was €135,300 for all members of these two specialised committees.

Signed in Neuilly-sur-Seine, on 26 March 2018

The Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Auberty

Cabinet Didier Kling & Associés

Member of Grant Thornton International

Didier Kling

Guillaume Giné



HOW TO ATTEND THE GENERAL MEETING?

PREREQUISITES

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 within France) by midnight, Paris time, on the second business day

(= trading day) prior to the General Meeting, i.e. **Friday 1 June 2018 at the latest, at 00:00 a.m. Paris time** [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.

1. IF YOU WISH TO PERSONALLY ATTEND THE HERMÈS INTERNATIONAL GENERAL MEETING

IF YOU ARE A REGISTERED SHAREHOLDER

To facilitate access to the General Meeting, you can request an admission card, by returning at the earliest possible (so you can receive the admission card in time) to the BNP Paribas Securities Services, the envelope appended to the notice and the participation form also appended, and:

- ◆ check the box on the top left corner "A" "**I WISH TO ATTEND THE GENERAL MEETING AND REQUEST AN ADMISSION CARD**";
- ◆ date and sign the box "**DATE AND SIGNATURE**" provided for this purpose;
- ◆ do not fill any other box in the document.

IF YOU ARE A BEARER SHAREHOLDER

- ◆ You must request an admission card from your account-keeping institution to be able to attend the meeting and vote. The account-keeping institution will send the participation certificate to BNP Paribas Securities Services.
- ◆ If you do not receive your admission card, the account-keeping institution will also be able to provide you with a participation certificate on the second business day prior to the General Meeting at 00:00 a.m. (Paris time), which will enable you to attend the meeting.

On the day of the meeting, shareholders must prove their capacity and identity as part of the registration formalities.

It is not possible to represent another person with his admission card except in the case of a proxy complying within the conditions set hereafter.

2. HOW TO BE REPRESENTED AT THE MEETING IF YOU DO NOT WANT OR CANNOT ATTEND?

PROXY BY POST (WITH THE PAPER FORM)

You will just have to fill the form as follows:

If you wish to be represented by the Chairman:

- ◆ check the middle frame **“I GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING”**;
- ◆ date and sign the box **“DATE AND SIGNATURE”** provided for this purpose;
- ◆ do not fill any other box in the document.

If you wish to be represented by any other person:

- ◆ check the right box **“I GIVE MY PROXY TO”**;
- ◆ fill all the identity and address information about the person;
- ◆ date and sign the box **“DATE AND SIGNATURE”** provided for this purpose.

Then return as soon as possible the form:

Direct registered or administered shareholders:

- ◆ to BNP Paribas Securities Services, with the envelop appended to the notice.

For bearer shareholders:

- ◆ to the account-keeping institution which will have previously sent you a voting form at your request, and will then look after submitting the participation form together with a participation certificate, to BNP Paribas Securities Services.

To be taken into account, this duly completed form will then have to reach BNP Paribas Securities Services at least three days before the meeting, **at the latest on Friday 1 June 2018 at midnight.**

PROXY BY INTERNET

Direct registered or administered shareholders:

- ◆ 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 shareholders:

- ◆ 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;

- ◆ must necessarily ask the financial intermediary looking after the management of his/her securities account to send a written confirmation to the General Meetings department of BNP Paribas Securities Services- CTSAssemblées Générales- Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.

Only notifications of the appointment or dismissal of proxies must be sent to the above-mentioned 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).



HOW TO ATTEND THE GENERAL MEETING?
HOW TO VOTE AT THE MEETING IF YOU DO NOT WISH OR CANNOT ATTEND?

3. HOW TO VOTE AT THE MEETING IF YOU DO NOT WISH OR CANNOT ATTEND?

VOTE BY POST (WITH THE PAPER FORM)

You will have to fill the form as follows:

- ◆ check the box “**I VOTE BY POST**”;
- ◆ to vote “**YES**” to the resolutions, do not blacken the corresponding boxes;
- ◆ to vote “**NO**” or “**ABSENTION**” to some resolutions, blacken each of the corresponding boxes.

Then return as soon as possible the form:

For registered shareholders:

- ◆ to BNP Paribas Securities Services, with the envelop enclosed.

For bearer shareholders:

- ◆ to the account-keeping institution that looks after submitting the participation form together with a participation certificate, to BNP Paribas Securities Services.

To be taken into account, this duly completed form will then have to reach BNP Paribas Securities Services at least three days before the meeting, **at the latest on Friday 1 June 2018 at midnight**.

4. PARTICIPATE BY INTERNET BEFORE THE MEETING

Shareholders now have the option of voting give a proxy to the Chairman or have an admission card by Internet prior to the General Meeting, via a dedicated secure site **Votaccess** if the financial intermediary managing your shares offers this service, under the following conditions.

REGISTERED SHAREHOLDERS

Direct registered shareholders will have to connect to the address of the Internet site indicated below, using the identifier number and password that have been provided to them.

Administered registered shareholders can request a password on the **Votaccess** site and using the identifier located in the upper right of the participation form sent with the meeting notice.

BEARER SHAREHOLDERS

Bearer shareholders must contact their account-keeping institution in order to request a participation certificate, while also providing their e-mail address.

The account-keeping institution will send the participation certificate and 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 the shareholder with an identifier and password that can then be used to connect to the site at the address given above.

In both cases, shareholders must follow the instructions shown on the screen.

The dedicated secure site for voting prior to the meeting will be accessible as of **Monday 11 May 2018**.

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 4 June 2018**.

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.

EVERY SHAREHOLDER WHOM HAS VOTED BY POST OR BY INTERNET, REQUESTED AN ADMISSION CARD OR A PARTICIPATION CERTIFICATE (ARTICLE R. 225-85 OF THE FRENCH COMMERCIAL CODE [*CODE DE COMMERCE*]) CANNOT CHOOSE ANOTHER MEAN OF PARTICIPATION

Votaccess

You can use the “Votaccess” service to vote via Internet (if the financial intermediary managing your shares offers this service).

To access the “Votaccess” service, which will be available from 11 May 2018 until the day before the Annual General Meeting, namely until 4 June 2018 at 3 p.m., connect to your financial intermediary’s “stock market” (“Bourse”). Then follow the instructions appearing on the screen.

5. REQUEST FOR INCLUSION OF AGENDA POINTS AND WRITTEN QUESTION

REQUEST FOR INCLUSION OF AGENDA POINTS OR DRAFT RESOLUTIONS

One or more shareholders representing at least the fraction of the share capital required by the applicable legal and regulatory provisions can request the inclusion of agenda points or draft resolutions under the conditions listed in Articles L. 225-105 and R. 225-71 to R. 225-73 of the French Commercial Code (*Code de commerce*).

Justified requests for the inclusion of agenda points or draft resolutions must be sent to the head office by registered letter with acknowledgment of receipt (Mailing address: Hermès International, legal department, Corporate and Market Law Service, 24, rue du Faubourg Saint-Honoré, 75008 Paris) or by electronic mail (sent to the following address: contact.finance@hermes.com), and be received by the Company no later than the 25th day before the meeting date (i.e. at the latest on Friday, 11 May 2018) and cannot be submitted more than 20 days after the publication of the prior notification in the *Bulletin des Annonces Légales Obligatoires*. The request must be accompanied by:

- ♦ the point(s) to be added to the agenda along with a brief presentation of the reasons; or
- ♦ the text of the draft resolution(s), that can be accompanied by a brief presentation of the reasons and, where relevant, the information indicated in paragraph 9 of Article R. 225-71 of the French Commercial Code (*Code de commerce*); and
- ♦ an account registration certificate as proof of possession or representation, by the authors of the request, of the capital fraction required by Article R. 225-71 of the French Commercial Code (*Code de commerce*).

Moreover, examination by the General Meeting of the agenda points or draft resolution submitted by shareholders is contingent upon the transmission, by the authors, of a new certificate providing proof of account registration of the securities in the same accounts at 00:00 a.m. Paris time on the second business day of the central custodian prior to the General Meeting (i.e. 00:00 a.m. Paris time, on Friday 1st June 2018).

The list of points added to the agenda and the text of the draft resolutions presented by the shareholders under the conditions described above will be published on the Company’s Internet site, <http://finance.hermes.com>, in compliance with Article R. 225-73-1 of the French Commercial Code (*Code de commerce*).

SUBMITTING OF WRITTEN QUESTIONS

In accordance with Article R. 225-84 of the French Commercial Code (*Code de commerce*), a shareholder wishing to ask written questions can submit the said questions to the management by recorded delivery letter sent to the Company’s head office, at the latest on the fourth business day prior to the meeting, i.e. at the latest on Tuesday 29 May 2018 (mailing address: Hermès International, legal department, 24, rue du Faubourg Saint-Honoré, 75008 Paris) or by electronic mail (sent to the following address: contact.finance@hermes.com).

For bearer shareholders, these questions must be accompanied by a certificate of shareholder account registration.

ELECTRONIC CONSULTATION RIGHT

The documents that must be made available to the shareholders as part of this General Meeting will be available at the Company’s administrative head office (Physical address: Hermès International, legal department, Corporate and Market Law Service, 13/15, rue de la Ville l’Evêque, 75008 Paris), and will be available for consultation on the site <http://finance.hermes.com> from 15 May 2018, under the conditions established by the applicable legal and regulatory provisions.

6. HOW TO FILL YOUR SINGLE FORM?

You wish to attend the meeting:

Tick **box A**,
date and sign in the box
located at the bottom of the form.


You will not attend the meeting:

Tick **box B**,
and choose one of the 3 possibilities
available hereunder.

A **IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**
Quelle que soit l'option choisie, noircir comme ceci ☐ la ou les cases correspondantes, dater et signer au bas du formulaire - *Whichever option is used, shade box(es) like this ☐, date and sign at the bottom of the form*

B **J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.**

HERMÈS INTERNATIONAL



SOCIÉTÉ EN COMMANDITE PAR ACTIONS
AU CAPITAL DE 53 840 400,12 €
57 078 386 R.S. PARIS
SIÈGE SOCIAL : 24, FAUBOURG SAINT-HONORÉ, 75008 PARIS

ASSEMBLEE GENERALE MIXTE
convoquée pour le mardi 5 juin 2018 à 9h30,
au Palais des Congrès - 2, Place de la Porte Maillot, 75017 PARIS

ANNUAL GENERAL MEETING
convened on Tuesday, June 5th, 2018 at 9:30 am,
at Palais des Congrès - 2, Place de la Porte Maillot, 75017 PARIS

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

Identifiant - Account

Nombre d'actions / Number of shares

Nominatif / Registered

Porteur / Bearer

Vote simple / Single vote

Vote double / Double vote

Nombre de voix - Number of voting rights

JE VOTE PAR CORRESPONDANCE / I VOTE BY POST
Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ☐ la case correspondante et pour lesquels je vote NON ou je m'abstiens.

I vote YES all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ☐, for which I vote NO or I abstain.

1	2	3	4	5	6	7	8	9	Oui / Non/No Yes Abst/Abs	Oui / Non/No Yes Abst/Abs
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A <input type="checkbox"/>	F <input type="checkbox"/>
10	11	12	13	14	15	16	17	18		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		G <input type="checkbox"/>
19	20	21	22	23	24	25	26	27		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	C <input type="checkbox"/>	H <input type="checkbox"/>
28	29	30	31	32	33	34	35	36		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	D <input type="checkbox"/>	J <input type="checkbox"/>
37	38	39	40	41	42	43	44	45		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	E <input type="checkbox"/>	K <input type="checkbox"/>

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting
- Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf..... ☐
- Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to vote NO) ☐
- Je donne procuration [cf. au verso renvoi (3)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom ☐
/ I appoint (see reverse (3)) M., Mrs or Miss, Corporate Name to vote on my behalf..... ☐

Pour être prise en considération, toute formule doit parvenir au plus tard :
In order to be considered, this completed form must be returned at the latest

sur 1^{re} convocation / on 1st notification sur 2^{de} convocation / on 2nd notification
1^{er} juin 2018 / June, 1st 2018

à / to BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin - 93761 PANTIN Cedex

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
Cf. au verso (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
See reverse (3)

JE DONNE POUVOIR A : Cf. au verso (4)
I HEREBY APPOINT : See reverse (4)
M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

ATTENTION : Ces instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : If it is not be directly returned to your bank, the present instructions will be valid only if they are directly returned to your bank.

Notre prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)
Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

REGARDLESS OF YOUR CHOICE, DO NOT FORGET TO DATE AND SIGN HERE.

Date & Signature

PLEASE FILL IN your surname, first name and address or VERIFY THEM if they are already filled.

To vote by post:

Tick the **box**,
date and sign in the box located at
the bottom of the form.

To give a proxy to the Chairman of the general meeting:

Tick the **box**, date and sign in the box
located at the bottom of the form.

To give a proxy to your spouse or another shareholder:

Tick the **box**, fill in his/her surname, firstname
and complete address, date and sign in the box located
at the bottom of the form.

Every shareholder can, from the notice of the meeting and up to five days after the meeting, **until Tuesday 31 May 2018**, request that legal documents and information be sent to the shareholder.

If you wish to receive these documents, please return the present form to the following address:

BNP PARIBAS Securities Services, CTS – Services des Assemblées, Grands Moulins de Pantin, 93761 Pantin Cedex

the documents will be sent to you, with the exception of the documents appended to the notice of meeting.

We inform you that you can, as long as you are a registered shareholder, receive the documents for each following meeting without having to renew your request.



REQUEST FOR THE MAILING OF DOCUMENTS AND LEGAL INFORMATION

Combined General Meeting of 5 June 2018

I ☐ Mr ☐ Mrs

Surname:

First Name:

Address:

Owner of: registered share(s)

..... bearer share(s) held by:

.....¹

requests that the following documents be sent to the address above:

☐ **the legal documents and information listed in Articles R. 225-81 and R. 225-83 of the French Commercial Code (Code de commerce);**

☐ **the 2017 Registration document**

☐ **in French,**

☐ **in English.**

Under section 3 of Article R. 225-88 of the French Commercial Code (*Code de commerce*), registered shareholders can, with a single request, receive these documents and information at each of the subsequent shareholder meetings.

To benefit from this opportunity, please check this box: ☐

In:, on:2018

(signature)

1. *Necessarily join a certificate of registration of the shares.*

The Registration document includes the Executive Management's report, the consolidated accounts, the annual accounts, the table of the allocation of results which details the origin of the sums to be allocated, the report from the Supervisory Board to the general meeting, the Supervisory Board's report on corporate governance, the report from the Statutory Auditors. These documents, in addition to the information contained in the present notice of meeting and the postal ballot and proxy form, constitute the information under Articles R. 225-81 and R. 225-83 of the French Commercial Code (*Code de commerce*).

These documents are available on the Company's website: <http://finance.hermes.com>



