

# HERMÈS



## NOTICE OF MEETING 2020

General Meeting Friday 24 April 2020  
at 9.30 AM

in closed session  
with live internet broadcast on  
<https://finance.hermes.com>

**Due to the Covid-19 epidemic, and in accordance with the government's measures, the Executive Management decided to hold the Hermès International Combined General Meeting of 24 April 2020 in closed session at the Company's premises in Pantin, without its shareholders being physically present. Under these conditions, we invite you to vote by mail or to give proxy to the Chairman (details on pages 6 and following of the notice of meeting brochure). We remind you that you may send your written questions in advance (see page 10 of the notice of meeting brochure). The General Meeting will be broadcast in full, live and replay, on the Company's website <https://finance.hermes.com> on April 24, 2020 at 9.30 am (Paris time).**

This document is a free translation into English of the "*Brochure de convocation*", originally prepared in French, and has no other value than an informative one. Should there be any difference between the French and the English version, only the French language version shall be deemed authentic and considered as expressing the exact information published by Hermès.

# WELCOME

## to the Combined General Meeting

on 24 April 2020 at 9.30 am

*in closed session with broadcast in full, live  
and replay, on the Company's website  
<https://finance.hermes.com>*

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HERMÈS INTERNATIONAL

24, rue du Faubourg Saint-Honoré - 75008 Paris - France – Partnership limited by shares with capital of €53,840,400.12

572 076 396 RCS Paris

## *Message from the executive management*



2019 bears witness to the solidity of our artisanal model based on balanced development across our métiers and regions.

Though the decade has come to an end amid intense uncertainties and a general awakening to environmental and public health concerns, it is clear that Hermès' offering remains relevant and well-liked.

This offering is based on the simple idea of creating objects designed to last. They are the fruit of mastering tried-and-tested know-how that is passed down and enriched through the generations, crafted from exceptional materials that embrace time and are nourished by it, objects whose aesthetics are born of function.

This reality is one that we cherish and uphold. In the second half-year of 2019, we laid the foundation stone of our future Montereau manufacture, and we are preparing to open the Guyenne workshop later this year. Our collections have been a great success with our customers both long-standing and new, as confirmed by our results; our commitments have become more visible with the signature of the Fashion Pact; and we continue to extend and embellish our exclusive distribution network with confidence in our own future and that of our markets, which, with the recent addition of Poland, now total forty-five.

So we are right to stay confident, while remaining firmly anchored in our reality. Without distracting us from our path, but adjusting to our environment, our dreams – since this was our theme for 2019 – drive us ever onwards and contribute to the desirability and performance of our business model.

The Executive Management

*All the preparatory documents for the Combined General Meeting of 24 April 2020 (notably the Universal Registration Document) are available for consultation and downloading on the website <https://finance.hermes.com>. To receive a paper version, please refer to the last page.*

*The Annual General Meeting will be broadcast in full, live and replay, on the same website <https://finance.hermes.com>*

# 1 GENERAL MEETING 2020

## 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 2019 and on the Company's activity for the said financial year.
- ♦ On the management of the Group and the consolidated financial statements for the year ended 31 December 2019.
- ♦ On the resolutions relating to ordinary business.

#### Supervisory Board's report on the corporate governance

#### Supervisory Board's report to the Combined General Meeting of 24 April 2020

#### Statutory Auditors' reports

- ♦ On the annual financial statements.
- ♦ On the consolidated financial statements.
- ♦ On the related-party agreements.

#### 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.

#### Fifth resolution

Approval of related-party agreements.

#### Sixth resolution

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

#### Seventh resolution

Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to the Company Officers (global *ex-post* vote).

#### Eighth resolution

Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to Mr Axel Dumas, Executive Chairman (individual *ex-post* vote).

#### Ninth resolution

Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to the Émile Hermès SARL company, Executive Chairman (individual *ex-post* vote).

#### Tenth resolution

Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to Mr Éric de Seynes, Chairman of the Supervisory Board (individual *ex-post* vote).

#### Eleventh resolution

Approval of the compensation's policy for Executive Chairmen (*ex-ante* vote).

#### Twelfth resolution

Approval of the compensation's policy for Supervisory Board members (*ex-ante* vote).

#### Thirteenth resolution

Re-election of Ms Dorothée Altmayer as Supervisory Board member for a term of three years.

#### Fourteenth resolution

Re-election of Ms Monique Cohen as Supervisory Board member for a term of three years.

#### Fifteenth resolution

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

#### Sixteenth resolution

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

## EXTRAORDINARY BUSINESS

### 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' reports

- ♦ On the capital decrease by cancellation of treasury shares (17<sup>th</sup> resolution).
- ♦ On the authorisation to grant stock-options (18<sup>th</sup> resolution).
- ♦ On the authorisation to allocate free existing shares (19<sup>th</sup> resolution).

### 2. VOTE ON THE RESOLUTIONS RELATING TO EXTRAORDINARY BUSINESS

#### Seventeenth resolution

Authorisation granted to the 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 program.

#### Eighteenth resolution

Authorisation to be given to Executive Management to grant stock-options.

#### Nineteenth resolution

Authorisation to be given to Executive Management to grant free existing shares.

#### Twentieth resolution

Amendment to Articles 18.6 (number of Supervisory Board members representing employees) and 22 (compensation of Supervisory Board members) of the Company's Articles of Association.

#### Twenty-first resolution

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

## ATTEND THE GENERAL MEETING

Due to the Covid-19 epidemic, and in accordance with the government's measures, the Executive Management decided to hold the Hermès International Combined General Meeting of 24 April 2020 in closed session at the Company's premises in Pantin, without its shareholders being physically present.

Under these conditions, we invite you to vote by mail or give proxy to the Chairman (detailed procedures on the following pages).

We remind you that you may send your written questions in advance (see page 10).

The General Meeting will be broadcast in full, live and replay, on the Company's website <https://finance.hermes.com> on April 24, 2020 at 9.30 am (Paris time).

### 1. PREREQUISITES

Every shareholder or shareholder's representative wishing to be represented or to vote by post must first have proven his capacity by the registration of its shares, either in his names or that of the registered intermediary referred to Article L. 228-1 of the French Commercial Code by midnight (Paris time) on the second business day (= trading day) prior to the General Meeting, i.e. **Wednesday 22 April 2020 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 its securities are registered.

A shareholder which has not his residence within France according to Article 102 of the French Civil Code (*Code civil*) may ask the registered intermediary to transmit his vote under the legal and regulatory conditions in force.

#### Caution

The law n° 2019-744 of 19 July 2019 on the simplification, clarification and modernisation of the French corporate law amended Articles L. 225-96 and L. 225-98 of the French Commercial Code (*Code de commerce*). Henceforth, only votes cast by shareholders present or represented will be considered in the calculation of the quorum. The votes cast do not include abstentions, blank or null and void votes or the votes of shareholders who did not take part in the vote for the resolution in question. **Votes by post with the paper form that make no sense or express an abstention will no longer be counted as negative votes. They shall not be considered in the votes cast.**

## 2. HOW TO ATTEND THE GENERAL MEETING

YOU WISH TO	Attend the General Meeting in person	<p>You are a registered shareholder</p> <p>You are a bearer shareholder</p>	It will not be possible to attend the General Meeting in person, which will be held exceptionally in closed session.	
	Grant proxy by post with the paper form	You are a registered or a bearer shareholder	<ul style="list-style-type: none"> <li>♦ You receive, by post, the Notice of Meeting with the paper form unless you have requested reception by electronic mail.</li> <li>♦ If you wish to be represented by the Chairman: <ul style="list-style-type: none"> <li>• check the “<b>I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING</b>”;</li> <li>• do not fill any other box in the document;</li> <li>• date and sign the box “<b>DATE &amp; SIGNATURE</b>” provided for this purpose.</li> </ul> </li> <li>♦ If you are <b>registered shareholder</b>, return the paper form with the envelop appended to the notice to BNP Paribas Securities Services.</li> <li>♦ If you are <b>bearer shareholder</b>, return the paper form to the financial intermediary with which your securities are registered.</li> <li>♦ If you wish to be represented by any other person: <p><b>It will not be possible to be represented by any other person at the General Meeting, which will be held exceptionally in closed session.</b></p> </li> </ul>	The duly completed and signed form appended to the certificate of account registration for bearer shareholder will then have to reach BNP Paribas Securities Services at least three days before the meeting, i.e. at the latest on Tuesday 21 April 2020 at 00:00 (Paris time). Any participation form received after this date will not be considered.
	Grant proxy by e-mail	You are a registered shareholder	<ul style="list-style-type: none"> <li>♦ If you wish to be represented by the Chairman: <ul style="list-style-type: none"> <li>• You need to send an e-mail to <b>paris.bp2s.france.cts.mandats@bnpparibas.com</b></li> <li>• This e-mail must necessarily contain the following information: Company name and meeting date, surname, first name, address, bank references of the principal.</li> </ul> </li> <li>♦ If you wish to be represented by any other person: <ul style="list-style-type: none"> <li>• <b>It will not be possible to be represented by any other person at the General Meeting, which will be held exceptionally in closed session.</b></li> </ul> </li> </ul>	Only notifications in the appointment or dismissal of proxies to the Chairman must be sent to the mentioned e-mail address. 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 on the day before the meeting, i.e. Thursday 23 April 2020, at 3 pm (Paris time).
		You are a bearer shareholder	<ul style="list-style-type: none"> <li>♦ If you wish to be represented by the Chairman: <ul style="list-style-type: none"> <li>• You need to send an e-mail to <b>paris.bp2s.france.cts.mandats@bnpparibas.com</b></li> <li>• This e-mail must necessarily contain the following information: Company name and meeting date, surname, first name, address, bank references of the principal.</li> <li>• You must necessarily ask the financial intermediary with which your securities are registered to send a written confirmation to the general meetings department of BNP Paribas Securities Services - CTO Assemblées Générales- Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.</li> </ul> </li> <li>♦ If you wish to be represented by any other person: <ul style="list-style-type: none"> <li>• <b>It will not be possible to be represented by any other person at the General Meeting, which will be held exceptionally in closed session.</b></li> </ul> </li> </ul>	

YOU WISH TO	<b>Vote by post with the paper form</b>	You are a registered or a bearer shareholder	<ul style="list-style-type: none"> <li>♦ You receive, by post, the Notice of Meeting with the postal or proxy vote form unless you have requested reception by electronic mail: <ul style="list-style-type: none"> <li>• check the box <b>"I VOTE BY POST"</b>,</li> <li>• to vote <b>"YES"</b> to the resolutions, do not blacken the corresponding boxes;</li> <li>• to vote <b>"NO"</b> to some resolutions, blacken each of the corresponding boxes;</li> <li>• to abstain to some resolutions, blacken the box <b>"ABSTENTION"</b> (this vote is no longer considered as a negative vote and will not be considered in the votes cast);</li> <li>• do not forget to make your choice if amendments or new resolutions will be presented during the General Meeting <b>"IN CASE AMENDMENTS OR NEW RESOLUTIONS ARE PROPOSED DURING THE MEETING"</b>;</li> <li>• do not fill any other box in the document;</li> <li>• date and sign the box <b>"DATE &amp; SIGNATURE"</b> provided for this purpose.</li> </ul> </li> <li>♦ If you are <b>registered shareholders</b>, return the paper form with the envelop appended to the notice to BNP Paribas Securities Services.</li> <li>♦ If you are <b>bearer shareholders</b>, return the paper form to the financial institution with which your securities are registered.</li> </ul>	<p><b>The duly completed and signed form appended to the certificate of account registration for bearer shareholder will then have to reach BNP Paribas Securities Services at least three days before the meeting, i.e. at the latest on Tuesday 21 April 2020 at 00:00 (Paris time). Any participation form received after this date will not be considered.</b></p>
	<b>Participate by internet</b> <i>The "VOTACCESS" platform allows you to give proxy to the Chairman or to vote remotely</i>	You are a registered shareholder	<ul style="list-style-type: none"> <li>♦ If you are <b>direct registered shareholders</b> you will have to connect to the website <b>"PLANETSHARES"</b> (<a href="https://planetshares.bnpparibas.com">https://planetshares.bnpparibas.com</a>), using the identifier located in the upper right of the participation form sent with the meeting notice. On the homepage, you will have to click on <b>"TAKE PART IN THE VOTE"</b> which will send you to the <b>"VOTACCESS"</b> platform and follow the indications shown on the screen.</li> <li>♦ If you are <b>administrated registered shareholders</b>, you can request your password on the website <b>"PLANETSHARES"</b> (<a href="https://planetshares.bnpparibas.com">https://planetshares.bnpparibas.com</a>), using the identifier located in the upper right of the participation form sent with the meeting notice. In case you do not have your password, you will have to ask for it by clicking on the following button: <b>"FORGOTTEN OR NOT RECEIVED PASSWORD?"</b>, then follow the indications shown on the screen to get the login password.</li> </ul>	<p><b>The website "VOTACCESS" will be opened from 1<sup>st</sup> April 2020. 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. Thursday 23 April 2020. 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.</b></p>
	<b>It will not be possible to request an admission card or give proxy to any other person at the General Meeting, which will be held exceptionally in closed session</b>	You are a bearer shareholder	<ul style="list-style-type: none"> <li>♦ You need to contact the financial institution with which your securities are registered. Only bearer shareholders whose financial intermediary is affiliated with the <b>"VOTACCESS"</b> system and who offers this service for the Shareholders' Meeting will have access. If you want to vote by Internet, you will have to log in to your account-keeping institution by using your usual access codes to access ("Bourse") portal and then <b>"VOTACCESS"</b> service. Access to the "Votaccess" platform via the Internet portal of the shareholder's financial intermediary may be subject to specific conditions of use defined by this institution. Consequently, if you are interested in this service, you are invited to contact your financial intermediary in order to find out more about it.</li> </ul>	



### 3. HOW TO FILL YOUR FORM

#### Caution

In any case, this paper form does not be returned to Hermès International.


Whatever you choose to participate in the General Meeting and for this paper form to be taken into consideration, it must:

- be completed, dated and signed in the box "DATE & SIGNATURE" provided for this purpose;
- be received at the latest on **Tuesday 21 April 2020** by the general meetings department of BNP Paribas Securities Services - CTO Assemblées Générales- Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.

**You wish to attend the meeting:**  
It will not be possible to attend the General Meeting in person, which will be held exceptionally in closed session.

**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

☐ JE DÉSIRE ASSISTER À CETTE ASSEMBLÉE et demande une carte d'admission : dater et signer au bas du formulaire / I WISH TO ATTEND THE SHAREHOLDER'S MEETING and request an admission card: date and sign at the bottom of the form



SOCIÉTÉ EN COMMANDITE PAR ACTIONS  
AU CAPITAL DE 53 840 400,22 €  
572,07% 396 RCS PARIS  
SIÈGE SOCIAL : 24, FAUBOURG SAINT-HONORÉ, 75008 PARIS

**ASSEMBLÉE GÉNÉRALE MIXTE**  
vendredi 24 avril 2020 à 9h30,  
à huis-clos

**ANNUAL GENERAL MEETING**  
Friday, April 24th, 2020 at 9 : 30 am,  
meeting in closed session

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

Identifiant - Account  
Nominatif Registered  
Vote simple Single vote  
Vote double Double vote  
Porteur Bearer  
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 ■ l'une des cases "Non" ou "Abstention". / 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	10	A	B
Non / No										Oui / Yes	
Abs.										Non / No	
										Abs.	
11	12	13	14	15	16	17	18	19	20	C	D
Non / No										Oui / Yes	
Abs.										Non / No	
										Abs.	
21	22	23	24	25	26	27	28	29	30	E	F
Non / No										Oui / Yes	
Abs.										Non / No	
										Abs.	
31	32	33	34	35	36	37	38	39	40	G	H
Non / No										Oui / Yes	
Abs.										Non / No	
										Abs.	
41	42	43	44	45	46	47	48	49	50	J	K
Non / No										Oui / Yes	
Abs.										Non / No	
										Abs.	

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée, je vote **NON** sauf si je signale un autre choix en noircissant la case correspondante :  
In case amendments or new resolutions are proposed during the meeting, I vote **NO** unless I indicate another choice by shading the corresponding box:

- Je donne pouvoir au Président de l'Assemblée Générale. / I appoint the Chairman of the general meeting. ☐

- Je m'abstiens. / I abstain from voting. ☐

- Je donne procuration (cf. au verso revers (4)) à M. Mlle ou M. Mlle, Raison Sociale pour voter en mon nom  
I appoint (see reverse (4)) M. Mlle or M. Mlle, Corporate Name to vote on my behalf ☐

Pour être prise en considération, tout formulaire doit parvenir au plus tard :  
To be considered, this completed form must be returned no later than:

sur 1<sup>ère</sup> convocation / on 1st notification 21 avril 2020 / April, 21th 2020 sur 2<sup>ème</sup> convocation / on 2nd notification

à la banque / to the bank  
à la société / to the company

« Si le formulaire est renvoyé daté et signé mais qu'aucun choix n'est coché (carte d'admission / vote par correspondance / pouvoir au président / pouvoir à mandataire), cela vaut automatiquement pouvoir au Président de l'Assemblée Générale »  
"If the form is returned dated and signed but no choice is checked (admission card / postal vote / power of attorney to the President / power of attorney to a representative), this automatically applies as a proxy to the Chairman of the General Meeting"

☐ **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 À :** Cf. au verso (4)  
**I HEREBY APPOINT:** See reverse (4)  
pour me représenter à l'Assemblée  
to represent me at the above mentioned Meeting  
M. Mlle ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name  
Adresse / Address

**ATTENTION:** Pour que ces présentes instructions soient valables, elles doivent être directement retournées à votre banque.  
**CAUTION:** For these instructions to be valid, they must be directly returned to your bank.

Nom, 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 (Changes regarding this information have to be notified to relevant institution, no changes can be made using this proxy form). See reverse (1)

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

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

#### To vote by post:

Tick the **box**,

- To vote «**YES**» to the resolutions, do not blacken the corresponding boxes;
- To vote «**NO**» to some resolutions, blacken each of the corresponding boxes;
- To abstain to some resolutions, blacken the box «**ABS.**» (this vote is no longer considered as a negative vote and will not be considered in the votes cast);
- Do not forget to make your choice if amendments or new resolutions will be presented during the General Meeting «**IN CASE OF AMENDMENTS OR NEW RESOLUTIONS ARE PROPOSED DURING THE MEETING**»;

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:

**It will not be possible to be represented by any other person at the General Meeting, which will be held exceptionally in closed session.**

#### 4. VOTE IN GENERAL MEETING

It will not be possible to physically attend the General Meeting, which will be held exceptionally in closed session. No voting will therefore be possible on the day of the General Meeting and only votes received

remotely in accordance with the terms and conditions described above will be taken into account.

#### 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 acknowledgement 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](mailto:contact.finance@hermes.com)), and be received by the Company no later than the 25<sup>th</sup> day before the meeting date (i.e. at the latest on Monday 30 March 2020 at 00:00 am, Paris time) 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 am Paris time on the second business day of the central custodian prior to the General Meeting (i.e. 00:00 am Paris time, on Wednesday 22 April 2020).

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 website, <https://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 Executive Management, at the latest on the fourth business day prior to the meeting, i.e. on Monday 20 April 2020 at 00:00 am, Paris time:

- ♦ by recorded delivery letter sent to the Company's head office (Physical address: Hermès International, direction juridique, 24, rue du Faubourg-Saint-Honoré, 75008 Paris);
- ♦ by e-mail at the following address: [ag2020@hermes.com](mailto:ag2020@hermes.com).

**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 website <https://finance.hermes.com> from Friday 3 April 2020, under the conditions established by the applicable legal and regulatory provisions

The prior notification of the General Meeting was published in the *Bulletin des Annonces Légales Obligatoires* on Monday 16 April 2020.

The notice of Meeting will be published on Monday 6 April 2020 in the *Bulletin des Annonces Légales Obligatoires*.

# 2 THE HERMÈS GROUP IN 2019

## HIGHLIGHTS

### EXCEPTIONAL SALES AND RESULTS GROWTH IN 2019

The Group's consolidated revenue amounted to €6,883 million in 2019, up +15% at current exchange rates and +12% at constant exchange rates. The recurring operating income<sup>1</sup> increased +13% to €2,339 million (34.0% of sales). Net profit reached €1,528 million (22.2% of sales).

Axel Dumas, Executive Chairman of Hermès, said: *"Hermès achieved outstanding performances this year, based on a balanced growth in all the business lines and in all the geographical areas. This sound momentum is supported by our craftsmanship model, the integration of the distribution network and ample creativity, thanks to the talent and incredible commitment displayed by all the women and men of Hermès."*

### ALL THE GEOGRAPHICAL AREAS POSTED STRONG GROWTH IN 2019

*(at constant exchange rates unless otherwise indicated)*

The revenue generated in 2019 in the group's stores (+13%) was particularly sustained and was driven by growth in all the geographical areas. Hermès continued to improve the quality of its distribution network, with both store openings, renovation and extension completed on almost twenty stores.

Asia excluding Japan (+18%) pursued its strong growth in Greater China, despite the impact of events in Hong Kong in the last quarter, and in South Asian countries. The stores in Qingdao in China and Hyundai in Korea were extended and reopened in December, after the Xiamen store in China and Phuket Floresta store in Thailand openings earlier in the year. Hermès continues to successfully develop its digital platform, rolled out in Singapore and Malaysia in October.

Japan (+8%) increased, with the year-end impacted by anticipated purchases due to the VAT increase in October. The new platform *hermes.jp* was launched in June.

America (+12%) confirmed its momentum throughout the area. After the recent store openings in New York's Meatpacking district and in Waikiki in Honolulu, the San Francisco store was extended and reopened in November, confirming dynamic growth both in the United States and in the other countries in the area.

Europe excluding France (+8%) achieved a sound performance, driven in particular by the United Kingdom and Italy. In November, Hermès opened

its first store in Warsaw, Poland, a new country for the Group. France (+8%) posted growth, despite the negative impact of the events at the end of the year.

### SALES BY MÉTIER AT THE END OF DECEMBER

*(at constant exchange rates unless otherwise indicated)*

All the business lines recorded growth, with outstanding performance of the Ready-to-Wear & Accessories and Jewellery divisions.

Leather Goods and Saddlery (+11%) benefited from sustained demand, both for the re-invented classics and other models such as the *Mosaïque*, *24/24* or *Twins bags*. The increase in production capacities continued, with the ramp-up of the Manufacture de l'Allan workshop, and the launch of the work on the Guyenne and Montereau workshops, due for completion in 2020. A new workshop will be built in Louviers by 2021. A new site in Ardennes, announced for 2022, will become the Group's 21<sup>st</sup> leather workshop, reinforcing the company's local integration in France and the creation of social value.

The Ready-to-Wear and Accessories division (+17%) confirmed its strong momentum, thanks to the success of the men's and women's ready-to-wear collections, and fashion accessories, particularly shoes.

The Silk and Textiles business line (+7.5%) posted an increase, with collections that combine diversity of materials with strong creativity, both by their design, their new formats, the fabrics and methods used. The 2019 Spring-Summer and Autumn-Winter collections received a very warm welcome.

Perfumes (+4%) improved, driven particularly by the success of *Terre d'Hermès* and *Twilly d'Hermès* and by the new variations *Un Jardin sur la Lagune* and *Twilly d'Hermès Eau poivrée*. The Maison will continue to demonstrate entrepreneurial spirit in 2020 with the launch of a new Hermès Beauty business line.

The Watches business line (+12%) recorded a solid sales performance reflecting the creativity of the collections and the network's selectivity. The new women's watch *Galop d'Hermès* was well received, and Hermès Watches were rewarded for the fourth time in November at the *Grand Prix de l'Horlogerie de Genève* for the *Arceau L'heure de la lune* model.

Other Hermès business lines (+20%), which encompass Jewellery, Art of Living and Hermès Table Arts, were up sharply, with a good increase in Jewellery, particularly thanks to high-end collection, illustrated by the *Black to Light* collection.

1. Including the impact of IFRS 16 on leases. In accordance with IAS 8, Hermès has applied the new standard on a full retrospective basis, and has restated the financial statements for the period ended 31 December 2018.

## STRONG INCREASE IN RESULTS IN 2019

Recurring operating income increased 13% to €2,339 million from €2,075 million in 2018. The recurring operating margin reached 34.0% of sales, compared to 34.8% in 2018, due to the negative impact of foreign exchange hedges.

Consolidated net profit (Group share) reached €1,528 million, compared to €1,405 million at the end of December 2018, +9%. Restated for the non-recurring gain from the sale of the former Galleria store premises in Hong Kong in 2018, the increase in net profit is +13%.

Operating investments amounted to €478 million and adjusted free cash flow<sup>1</sup> reached €1,406 million.

After payment of the ordinary dividend (€474 million), the net cash position increased by €946 million to €4,562 million compared to €3,615 million as at 31 December 2018.

In 2019, Hermès International redeemed 84,757 shares for €52.4 million, excluding transactions completed within the framework of the liquidity contract.

## GROWTH IN WORKFORCE

The Hermès Group continued hiring people and increased its workforce by around 1,100 people. At the end of 2019, the group employed 15,417 people, including 9,522 in France.

Hermès will pay a €1,500 bonus to all employees in 2020 following the good 2019 Results. This measure confirms the willingness and commitment to share the fruits of growth with all those who contribute to it on a daily basis, after the announcement of a new free share plan to all employees in July 2019.

## OUTLOOK

The impact in 2020 of the COVID-19 epidemic – the scale, length and geographic scope of which are changing daily – is currently difficult to assess. The craftsmanship model set up mainly on French territory, the balanced distribution network and its local customer base are all elements that contribute to the House's resilience. The Group remains highly involved and committed by regularly assessing the situation and adapting its procedures. As for the countries affected, the priority is the safety of all employees and their close families, in line with the measures taken by medical and public authorities. At the date of publishing this notice of meeting, and believing that this epidemic and the ensuing disruption will have passed within a few months, we remain confident that our employee will then be able to return and reconnect with our customers once more.

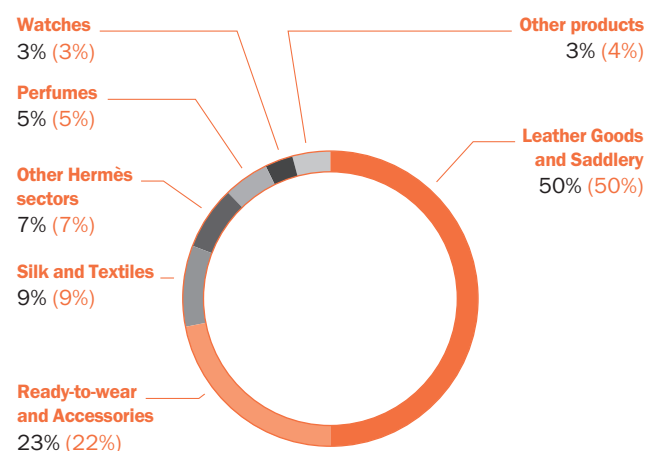
Thanks to its unique business model, Hermès is pursuing its long-term development strategy based on creativity, maintaining control over know-how and singular communication.

With pride in its artisanal model, in 2020 Hermès pays tribute to the extraordinary tool that is the human hand, as well as to the ingenuity that drives every one of the House's craftsmen and women. For it is this combination that characterises the innovative spirit of Hermès, its commitment to innovation in the making.

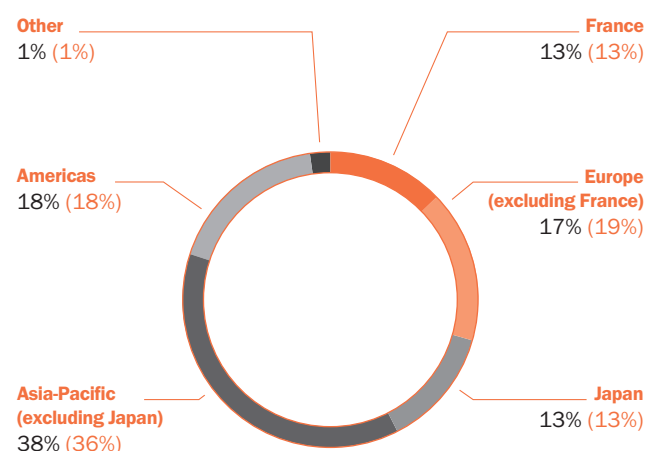
In the medium term, despite economic, geopolitical and monetary uncertainties around the world, the Group confirms an ambitious goal for revenue growth at constant exchange rates.

## KEY FIGURES

BREAKDOWN OF REVENUE BY METIER 2019 VS. 2018



BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA 2019 VS. 2018



1. Adjusted free cash flow corresponds to the cash flows related to the operating activity less operating investments and repayment of lease liabilities accounted for in accordance with IFRS16 (aggregates of the consolidated statement of cash flows).

## KEY CONSOLIDATED DATA

<i>In millions of euros</i>	2019	2018 restated*	2017	2016	2015
Revenue	6,883	5,966	5,549	5,202	4,841
Growth at current exchange rates vs. n-1	15.4%	7.5%	6.7%	7.5%	17.5%
Growth at constant exchange rates vs. n-1 <sup>1</sup>	12.4%	10.4%	8.6%	7.4%	8.1%
Income from continuing operations <sup>2</sup>	2,339	2,075	1,922	1,697	1,541
In % of revenue	34.0%	34.8%	34.6%	32.6%	31.8%
Operating income	2,339	2,128	1,922	1,697	1,541
In % of revenue	34.0%	35.7%	34.6%	32.6%	31.8%
Net profit attributable to owners of the parent	1,528	1,405	1,221	1,100	973
In % of revenue	22.2%	23.6%	22.0%	21.2%	20.1%
Operating cash flows	2,063	1,863	1,580	1,427	1,217
Operating investments	478	312	265	262	252
Adjusted free cash flow <sup>3</sup>	1,406	1,447	1,340	1,212	933
Equity attributable to owners of the parent	6,568	5,470	5,039	4,383	3,742
Net cash position IFRS <sup>4</sup>	4,372	3,465	2,912	2,320	1,571
Restated net cash position <sup>5</sup>	4,562	3,615	3,050	2,345	1,614
Workforce (number of employees)	15,417	14,284	13,483	12,834	12,244

\* Including the impact of IFRS 16 on leases. In accordance with IAS 8, Hermès has applied the new standard on a full retrospective basis, and has restated the financial statements for the period ended 31 December 2018.

- (1) Growth at constant exchange rates is calculated by applying, for each currency, the average exchange rates of the previous period to the revenue of the period.
- (2) Income from continuing operations is one of the main performance indicators monitored by the Group's management. It corresponds to operating income excluding non-recurring items having a significant impact that could affect understanding of the Group's economic performance.
- (3) Adjusted free cash flow is the sum of cash flows related to operating activities, less operating investments and the repayment of lease liabilities recognised in accordance with IFRS 16 (consolidated statement of cash flows).
- (4) The IFRS net cash position includes cash and marketable securities, less bank overdrafts and short-term debt. It does not include lease liabilities recognised in accordance with IFRS 16.
- (5) Restated net cash includes cash investments that do not meet IFRS criteria for cash equivalents as a result of their original maturity of more than three months.

# 3 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 paragraph 7 of the French Commercial Code (*Code de commerce*), the table below shows all the delegations of competence and powers granted by the General Meeting to Executive Management in financial matters, distinguishing between delegations that were valid, and delegations used, in the 2019 financial year, as applicable.

Date of General Meeting	Delegations valid in 2019	Duration of the authorisation (expiry)	Individual limit of each authorisation	Limit common to several authorisations	Use in 2019
Resolution number (nature of delegation)			Maximum nominal amount to be issued immediately and/or in future % of the share capital at the date of the meeting		
Stock options/free shares					
31 May 2016	14 <sup>th</sup> (grants of stock options)	38 months (31 July 2019)	2%	2%	None
31 May 2016	15 <sup>th</sup> (free allocations of existing ordinary shares)	38 months (31 July 2019)	2%		See pages 391, 274 et 275 of the 2019 URD
Purchase/cancellation of shares					
5 June 2018	6 <sup>th</sup> (share purchase)	18 months (5 December 2019) <sup>1</sup>	10%	10%	See page 393 of the 2019 URD
5 June 2018	13 <sup>th</sup> (cancellation of shares)	24 months (5 June 2020) <sup>1</sup>	10%		None
4 June 2019	6 <sup>th</sup> (share purchase)	18 months (4 December 2020) <sup>2</sup>	10%	10%	See page 393 of the 2019 URD
4 June 2019	13 <sup>th</sup> (cancellation of shares)	24 months (4 June 2021) <sup>2</sup>	10%		None
Equity securities					
6 June 2017	18 <sup>th</sup> (capital increase by incorporation of reserves)	26 months (6 August 2019)	40%	40%	None
6 June 2017	19 <sup>th</sup> (issue with maintenance of preferential subscription rights)	26 months (6 August 2019)	40%		None
6 June 2017	20 <sup>th</sup> (issue with elimination of preferential subscription rights)	26 months (6 August 2019)	40%		None
6 June 2017	21 <sup>th</sup> (capital increase reserved for members of a company or Group savings plan)	26 months (6 August 2019)	1%		None
6 June 2017	22 <sup>th</sup> (issue by private placement)	26 months (6 August 2019)	20% per year		None
6 June 2017	23 <sup>th</sup> (issue to compensate contributions in kind)	26 months (6 August 2019)	10%	40%	None
4 June 2019	15 <sup>th</sup> resolution (capital increase by incorporation of reserves)	26 months (4 August 2021)	40%		None

4 June 2019	16 <sup>th</sup> resolution (issue with maintenance of preferential subscription rights)	26 months (4 August 2021)	40%		None
4 June 2019	17 <sup>th</sup> resolution (issue with elimination of preferential subscription rights)	26 months (4 August 2021)	40%		None
4 June 2019	18 <sup>th</sup> resolution (capital increase reserved for members of a company or Group savings plan)	26 months (4 August 2021)	1%	40%	None
4 June 2019	19 <sup>th</sup> resolution (issue by private placement)	26 months (4 August 2021)	20% per year		None
4 June 2019	20 <sup>th</sup> resolution (issue to compensate contributions in kind)	26 months (4 August 2021)	10%		None
<b>Debt securities</b>			<b>Maximum nominal amount</b>		
6 June 2017	19 <sup>th</sup> (issue with maintenance of preferential subscription rights)	26 months (6 August 2019)	€1,000 million		None
6 June 2017	20 <sup>th</sup> (issue with elimination of preferential subscription rights)	26 months (6 August 2019)	€1,000 million		None
6 June 2017	21 <sup>th</sup> (issue by private placement)	26 months (6 August 2019)	€1,000 million	€1,000 million	None
6 June 2017	22 <sup>th</sup> (issue to compensate contributions in kind)	26 months (6 August 2019)	€1,000 million		None
4 June 2019	16 <sup>th</sup> resolution (issue with maintenance of preferential subscription rights)	26 months (4 August 2021)	€1,000 million		None
4 June 2019	17 <sup>th</sup> resolution (issue with elimination of preferential subscription rights)	26 months (4 August 2021)	€1,000 million		None
4 June 2019	19 <sup>th</sup> resolution (issue by private placement)	26 months (4 August 2021)	€1,000 million	€1,000 million	None
4 June 2019	20 <sup>th</sup> resolution (issue to compensate contributions in kind)	26 months (4 August 2021)	€1,000 million		None

(1) These authorisations were cancelled, for the remaining duration and for the unused fraction, by delegations of the same nature authorised by the General Meeting of 4 June 2019.

(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 24 April 2020.



# 4

## TABLE OF RESULTS OVER THE LAST FIVE FINANCIAL YEARS

	2019	2018	2017	2016	2015
<b>Share capital at the end of the financial year</b>					
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
<b>Comprehensive income from operations (in millions of euros)</b>					
Revenue excluding taxes	315.0	247.6	216.6	177.6	207.2
Net income before tax, employee profit-sharing, amortisation, depreciation, provisions and impairment	1,754.9	1,337.6	842.5	1,165.2	961.9
Income tax	(7.1)	7.0	24.4	(5.8)	(28.3)
Employee profit-sharing	(4.8)	(4.6)	(4.5)	(3.9)	(3.9)
Net income after tax, employee profit-sharing, amortisation, depreciation, provisions and impairment	1,653.1	1,238.5	778.3	1,091.2	842.8
Profits distributed as dividends (including on treasury shares)	538.9	488.6	965.9	403.2	359.3
<b>Earnings per share in euros</b>					
Net income after tax and employee profit-sharing but before amortisation, depreciation, provisions and impairment	16.51	12.69	8.17	10.95	8.81
Net income after tax, employee profit-sharing, amortisation, depreciation, provisions and impairment	15.66	11.73	7.37	10.34	7.98
Net dividend paid per share	5.00 <sup>1</sup>	4.55	9.10 <sup>2</sup>	3.75	3.35
<b>Employees</b>					
Number of employees (average workforce)	448	414	399	384	369
Total payroll (in millions of euros)	(62.7)	(53.5)	(49.4)	(47.0)	(45.6)
Employee benefits paid in the year (in millions of euros) <sup>3</sup>	(38.1)	(31.3)	(29.1)	(105.0)	(55.3)

(1) Subject to approval by the Ordinary General Meeting of 24 April 2020. A dividend of €5.00 will be proposed, of which an interim payment of €1.50 paid on 5 March 2020.

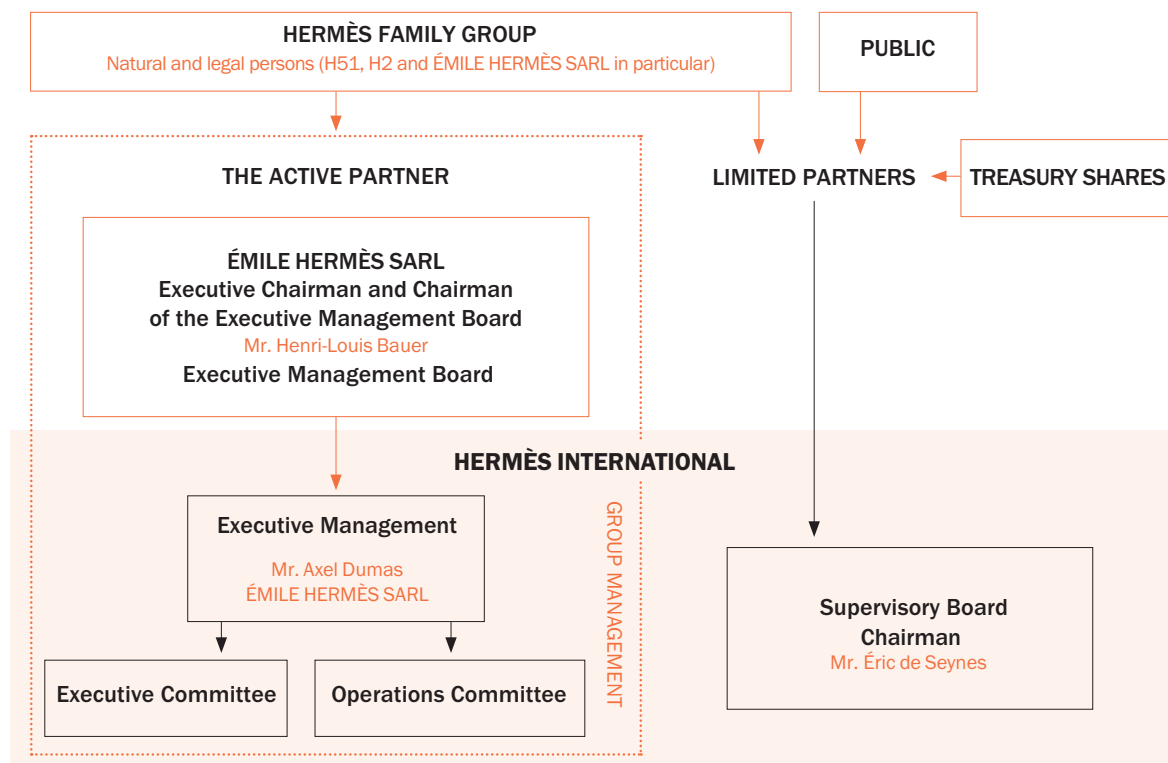
(2) Including an extraordinary dividend of €5.00.

(3) Since 2017, the expenses included in this figure relating to free share allocation plans are limited to Company employees (see Note 3, chapter 6 of the Universal Registration Document).




# 5 CORPORATE GOVERNANCE

## HERMÈS INTERNATIONAL'S ORGANISATIONAL STRUCTURE



## GROUP MANAGEMENT (ROLE AND COMPOSITION)

### THE ACTIVE PARTNER AND ITS EXECUTIVE MANAGEMENT BOARD

Role	Composition at 31/12/2019
<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>	<p><b>THE ACTIVE PARTNER</b> <b>Émile Hermès SARL</b> Active partner, represented by its Executive Management Board:</p>
	 <p><b>Mr Henri-Louis Bauer</b> Executive Chairman, Chairman and Member of the Executive Management Board</p>
	<p><b>Mr Frédéric Dumas</b> Vice-Chairman and member of the Executive Management Board</p>
	<p><b>Ms Pascale Mussard</b> Vice-Chairwoman and member of the Executive Management Board</p>
	<p>Other members of the Executive Management Board :</p> <ul style="list-style-type: none"> <li>♦ <b>Ms Sandrine Brekke</b></li> <li>♦ <b>Ms Capucine Bruet</b></li> <li>♦ <b>Ms Alice Charbin</b></li> <li>♦ <b>Mr Édouard Guerrand</b></li> <li>♦ <b>Mr Laurent E. Momméja</b></li> <li>♦ <b>Mr Jean-Baptiste Puech</b></li> <li>♦ <b>Mr Guillaume de Seynes</b></li> </ul>

### EXECUTIVE MANAGEMENT

Role	Composition at 31/12/2019
<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.</p> <p>The Executive Chairmen distributed their roles as follows: Mr Axel Dumas is in charge of strategy and operational management, and Émile Hermès SARL, through its Executive Management Board, is responsible for the vision and strategic areas.</p>	<p><i>The Executive Chairmen are appointed by the Active Partner, after consultation with the Supervisory Board. In accordance with the Articles of Association, the Executive Management comprises one or two Executive Chairmen, who are natural persons, Active Partners or from outside the Company, each having the same powers. The term of office of the Executive Chairmen is open-ended.</i></p>
	 <p><b>Mr Axel Dumas</b> Executive Chairman Appointed by decision of the Active Partner dated 4 June 2013 (effective 5 June 2013)</p>
	 <p><b>Émile Hermès SARL</b> (represented by Mr Henri-Louis Bauer) Executive Chairman Appointed by decision of the Active Partner dated 14 February 2006 (effective 1 April 2006)</p>
	<ul style="list-style-type: none"> <li>♦ <b>Changes among the Executive Management in 2019:</b> None</li> <li>♦ <b>Changes among the Executive Management since 31 December 2019:</b> None</li> </ul>
	<ul style="list-style-type: none"> <li>♦ <b>Shareholding obligations:</b> At its meeting of 21 March 2017, the Supervisory Board decided that the Executive Chairmen should each be required to hold a minimum of 1,000 Hermès International shares pursuant to Article 23 of the Afep-Medef Code updated in January 2020. The two Executive Chairman comply with this requirement.</li> </ul>

## EXECUTIVE COMMITTEE

### Role

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

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

The Executive Committee meets every two weeks.

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

### Composition at 31/12/2019

**9**  
MEMBERS

**25%**  
WOMEN  
(EXCLUDING EXECUTIVE  
CHAIRMAN)

**7 years**  
AVERAGE SENIORITY  
ON THE EXECUTIVE  
COMMITTEE

**19 years**  
AVERAGE SENIORITY  
IN THE GROUP

**53**  
AVERAGE AGE <sup>(1)</sup>



The members of the Executive Committee in the Hermès store on Avenue George-V, Paris. From left to right: Éric du Halgouët, Catherine Fulconis, Wilfried Guerrand, Axel Dumas, Olivier Fournier, Charlotte David, Guillaume de Seynes, Pierre-Alexis Dumas and Florian Craen.

### Mr Axel Dumas

Executive Chairman

- ◆ **Mr Florian Craen**  
Executive Vice-President Sales & Distribution
- ◆ **Ms Charlotte David**  
Executive Vice-President Communication
- ◆ **Mr Pierre-Alexis Dumas**  
Artistic Executive Vice-President
- ◆ **Mr Olivier Fournier**  
Executive Vice-President of Governance and Organisational Development
- ◆ **Ms Catherine Fulconis**  
Executive Vice-President Leather Goods-Saddlery (since 1 April 2019)
- ◆ **Mr Wilfried Guerrand**  
Executive Vice-President Métiers, Information Systems and Data
- ◆ **Mr Éric du Halgouët**  
Executive Vice-President Finance
- ◆ **Mr Guillaume de Seynes**  
Executive Vice-President Manufacturing Division & Equity Investments

### Changes in the Executive Committee in 2019

A reorganisation took place on 1 April 2019:

- ◆ Ms Catherine Fulconis, Executive Vice-President Leather Goods-Saddlery (which also includes the Hermès Horizons and Equestrian métiers) and Petit h métiers joined the Executive Committee;
- ◆ Mr Wilfried Guerrand was appointed Executive Vice-President of the Métiers (Hermès Femme, Hermès Homme, Hermès Bijouterie, Hermès Soie et Textiles, and Hermès Maison), Information Systems and Data;
- ◆ Digital communication is now headed up by Ms Charlotte David, Executive Vice-President Communication, and e-commerce by Mr Florian Craen, Executive Vice-President Sales & Distribution.

### Changes in the Executive Committee after 31 December 2019

None

(1) Average calculated on the basis of the age of the members of the Executive Committee, determined as of the date of filing of this Universal Registration Document, i.e. 25 March 2020.

## OPERATIONS COMMITTEE

Role	Composition at 31/12/2019		
<p>The Operations Committee, which reports to the Executive Management, is made up of the Executive Committee and the Senior Executives of the main métiers and geographical areas of the Group.</p> <p>Its duties are:</p> <ul style="list-style-type: none"> <li>♦ to involve Senior Executives in the Group's major issues and strategic orientations;</li> <li>♦ to promote communication, sharing and reasonable exchanges amongst its members in their area of responsibility;</li> <li>♦ to enable the Executive Committee to take certain decisions.</li> </ul> <p>The Operations Committee meets for a full day three times a year.</p>	<b>25</b> MEMBERS	<b>69%</b> WOMEN (EXCLUDING THE EXECUTIVE CHAIRMAN AND THE EXECUTIVE COMMITTEE)	<b>13%</b> OF FOREIGN NATIONALITIES
<p><b>Mr Axel Dumas</b> Executive Chairman</p> <p><b>Executive Committee members</b> (see previous page)</p>			
<b>Other members</b>			
<b>Senior Executives of the métiers</b>			
♦ <b>Ms Agnès de Villers</b> Perfumes	♦ <b>Ms Véronique Nichanian</b> Men's Ready-To-Wear	♦ <b>Ms Élodie Potdevin</b> Fashion Accessories Métier and IoT (since 1 April 2019)	
♦ <b>Mr Laurent Dordet</b> Watches	♦ <b>Ms Hinde Pagani</b> Digital Sales and Service (since 1 April 2019)	♦ <b>Ms Ambre Pulcini</b> Women's Ready-to-Wear and Shoes (since 1 April 2019)	
♦ <b>Ms Antoinette Louis</b> Silk and Textiles	♦ <b>Ms Anne-Sarah Panhard</b> Home	♦ <b>Ms Laurence Reulet</b> Jewellery	
<b>Senior Executives of the Geographical areas</b>			
♦ <b>Mr Masao Ariga</b> <sup>(1)</sup> Japan	♦ <b>Mr Eric Festy</b> South Asia	♦ <b>Ms Juliette Streichenberger</b> Europe	
♦ <b>Mr Robert Chavez</b> <sup>(1)</sup> United States and Latin America	♦ <b>Mr Luc Hennard</b> China	♦ <b>Ms Ségolène Verdillon</b> Travel Retail	
♦ <b>Ms Hélène Dubrule</b> France			
<b>Changes in the Operations Committee in financial year 2019</b>			
On 1 April 2019, three new members – Managers of the métiers – were appointed to the Operations Committee:			
♦ Ms Hinde Pagani: Deputy Managing Director – Digital Sales and Service;			
♦ Ms Ambre Pulcini: Managing Director - Women's Ready-to-Wear and Shoes;			
♦ Ms Elodie Potdevin: Executive Vice-President - Fashion Accessories Métier and IoT ("Internet of Things").			
<b>Changes in the Operations Committee after 31 December 2019</b>			
None			

(1) Members of foreign nationalities.

## SUPERVISORY BOARD

## SITTING MEMBERS AS AT 31 DECEMBER 2019

Personal details	Number of shares (direct holding)	Experience Number of offices in listed companies other than the Company	Position on the Board				Membership of committees of the Board	
			Independence	Date of first appointment	Date term ends	Length of service	Audit and Risk Committee	CAG-CSR Committee
<b>Éric de Seynes</b> (M) (Chairman) Nationality: French 59 years – 09/06/1960	203			07/06/2010 03/03/2011 (Chairman)	2020 GM	9 years		
<b>Monique Cohen</b> (F) (Vice-Chairwoman) Nationality: French 64 years – 28/01/1956	250	2 BNP Paribas Safran	✓	03/06/2014	2020 GM	6 years	✓ (Chairwoman)	
<b>Dominique Senequier</b> (F) (Vice-Chairwoman) Nationality: French 66 years – 21/08/1953	200		✓	04/06/2013	2022 GM	7 years		✓ (Chairwoman)
<b>Dorothée Altmayer</b> (F) Nationality: French 59 years – 01/03/1961	200			06/06/2017	2020 GM	3 years		
<b>Charles-Éric Bauer</b> (M) Nationality: French 56 years – 09/01/1964	69,148			03/06/2008	2022 GM	12 years	✓	
<b>Estelle Brachlianoff</b> (F) Nationality: French 47 years – 26/07/1972	100		✓	04/06/2019	2022 GM	6 months	✓	✓
<b>Pureza Cardoso</b> (F) (Employee representative) Nationality: French 49 years – 04/03/1971	60			12/11/2019	12/11/2022	-		
<b>Matthieu Dumas</b> (M) Nationality: French 47 years – 06/12/1972	213			03/06/2008	2021 GM	12 years		✓
<b>Blaise Guerrand</b> (M) Nationality: French 36 years – 04/06/1983	200			29/05/2012	2021 GM	8 years		
<b>Julie Guerrand</b> (F) Nationality: French 45 years – 26/02/1975	5,825	1 Idi		02/06/2005	2022 GM	15 years		
<b>Olympia Guerrand</b> (F) Nationality: Franco-Portuguese 42 years – 07/10/1977	306,312			06/06/2017	2021 GM	3 years		
<b>Rémy Kroll</b> (M) (Employee representative) Nationality: French 47 years – 04/05/1972	50			12/11/2019	12/11/2022	-		
<b>Renaud Momméja</b> (M) Nationality: French 58 years – 20/03/1962	150,012			02/06/2005	2020 GM	15 years	✓	
<b>Alexandre Viros</b> (M) Nationality: Franco-American 42 years – 08/01/1978	100		✓	04/06/2019	2021 GM	6 months	✓	

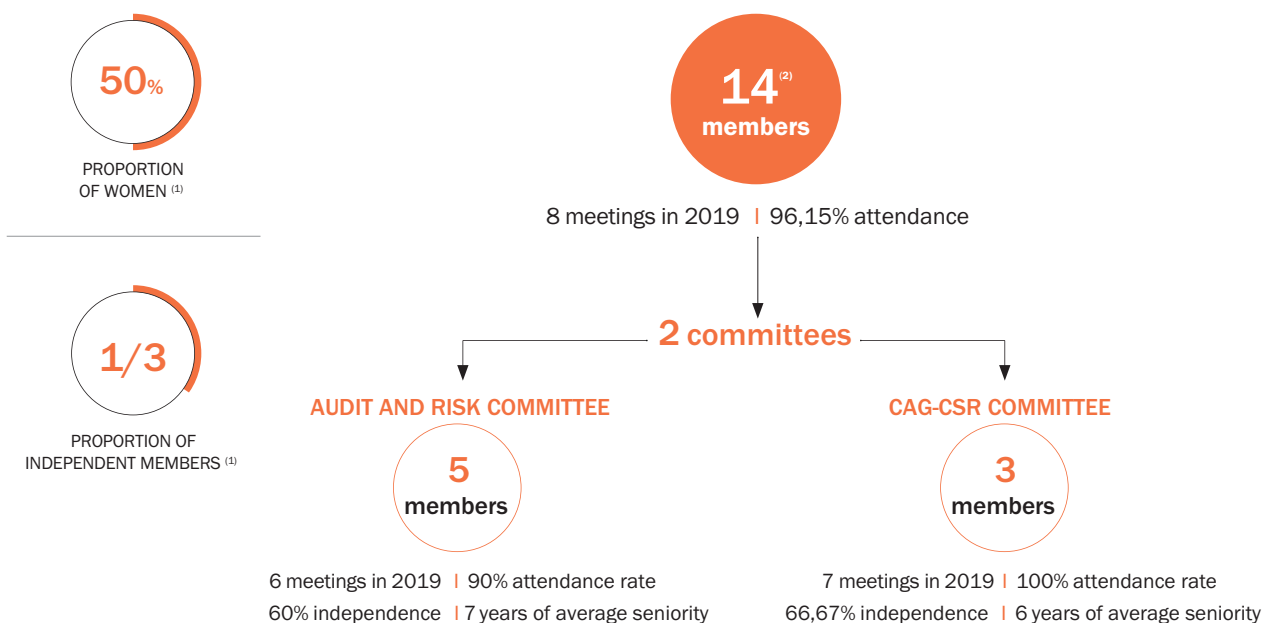
(1) The age indicated is determined as of the date of filing of this Universal registration document, i.e. 25 March 2020.

## MEMBERS PROPOSED FOR APPOINTMENT AT THE GENERAL MEETING OF 24 APRIL 2020

None.

## SUMMARY PRESENTATION OF THE MEMBERS OF THE SUPERVISORY BOARD

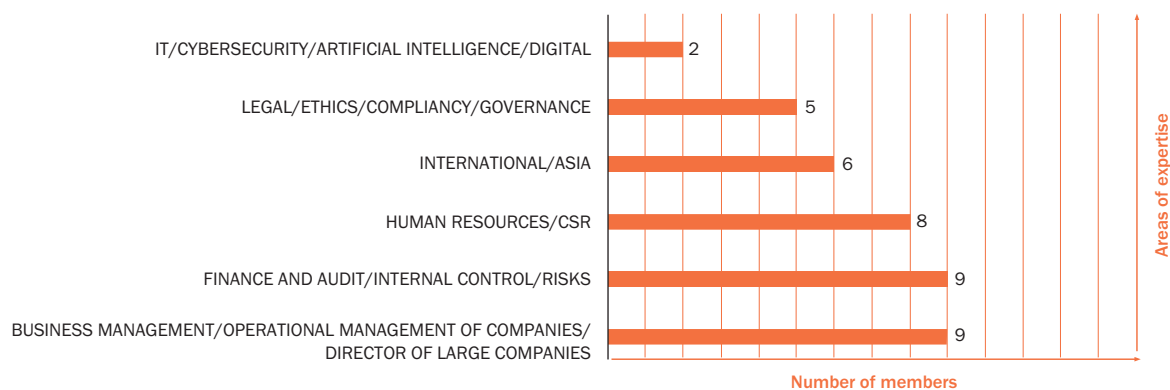
### SUPERVISORY BOARD



(1) Excluding the Supervisory Board member representing employees.

(2) Since 12 November 2019, when the Group Works Council noted the expiry of the term of office of Mr Frédéric Afriat as Supervisory Board member representing employees, and appointed Ms Pureza Cardoso and Mr Rémy Kroll as new Supervisory Board members representing employees for terms of three years.

### MAIN AREAS OF EXPERTISE AND EXPERIENCE OF BOARD MEMBERS <sup>(1) (2)</sup>



(1) Excluding the Supervisory Board members representing employees.

(2) Based on annual declarations by Board members.

## ATTENDANCE

2019	Attendance at Supervisory Board meetings	Attendance at Audit and Risk Committee meetings	Attendance at CAG-CSR Committee meetings
<b>Average attendance</b>	<b>96.15%</b>	<b>90.00%</b>	<b>100.00%</b>
Éric de Seynes (Chairman)	100.00%	n/a	n/a
Monique Cohen (Vice-Chairwoman)	100.00%	100.00%	n/a
Dominique Senequier (Vice-Chairwoman)	87.50%	n/a	100.00%
Dorothee Altmayer	100.00%	n/a	n/a
Charles-Éric Bauer	100.00%	100.00%	n/a
Estelle Brachlianoff (joined on 04/06/2019)	100.00%	66.67%	100.00%
Pureza Cardoso, employee representative (joined on 12/11/2019)	100.00%	n/a	n/a
Matthieu Dumas	100.00%	n/a	100.00%
Blaise Guerrand	100.00%	n/a	n/a
Julie Guerrand	100.00%	n/a	n/a
Olympia Guerrand	75.00%	n/a	n/a
Rémy Kroll, employee representative (joined on 12/11/2019)	100.00%	n/a	n/a
Sharon MacBeath (resigned on 20/03/2019)	100.00%	100.00%	100.00%
Renaud Momméja	100.00%	83.33%	n/a
Robert Peugeot (resigned on 04/06/2019)	66.67%	66.67%	100.00%
Alexandre Viros (joined on 04/06/2019)	100.00%	100.00%	n/a

Attendance calculated by establishing the ratio between the number of meetings actually attended and the number of meetings applicable to each member.  
n/a: not applicable.

## ROLE AND COMPOSITION OF THE SUPERVISORY BOARD

## 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 submits to the Active Partner its reasoned opinion:

- ♦ on the nomination and dismissal of any Executive Chairman of the Company; and
- ♦ in case of the Executive Chairman's resignation, on reducing the notice period.

The Supervisory Board:

- ♦ determines the allocation of earnings to be put to the General Meeting each financial 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 pertaining to the appropriation of share premiums, reserves or retained earnings.

Every year the Supervisory Board presents to the Annual Ordinary General Meeting of shareholders a report (see pages 80 and 81) in which it comments on the Company's management and draws attention to any inconsistencies or inaccuracies identified in the financial statements for the financial 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 31/12/2019

## SUPERVISORY BOARD

**Mr Éric de Seynes**

Chairman and member of the Supervisory Board

**Ms Monique Cohen**

Vice-Chairwoman and member of the Supervisory Board

**Ms Dominique Senequier**

Vice-Chairwoman and member of the Supervisory Board

Other members:

- ♦ **Ms Dorothee Altmayer**
- ♦ **Mr Charles-Éric Bauer**
- ♦ **Ms Estelle Brachlianoff**
- ♦ **Ms Pureza Cardoso** <sup>(1)</sup>
- ♦ **Mr Matthieu Dumas**
- ♦ **Mr Blaise Guerrand**
- ♦ **Ms Julie Guerrand**
- ♦ **Ms Olympia Guerrand**
- ♦ **Mr Rémy Kroll** <sup>(1)</sup>
- ♦ **Mr Renaud Momméja**
- ♦ **Mr Alexandre Viros**

## AUDIT AND RISK COMMITTEE

**Ms Monique Cohen**

Chairwoman

Other members:

- ♦ **Mr Charles-Éric Bauer**
- ♦ **Ms Estelle Brachlianoff**
- ♦ **Mr Renaud Momméja**
- ♦ **Mr Alexandre Viros**

## COMITÉ RNG - RSE

**Ms Dominique Senequier**

Chairwoman

Other members:


- ♦ **Ms Estelle Brachlianoff**
- ♦ **Mr Matthieu Dumas**

(1) Supervisory Board member representing employees.



## COMPOSITION OF THE SUPERVISORY BOARD'S COMMITTEES

### Summary presentation of the members of the CAG-CSR Committee at 31 December 2019

2019 DATA	Personal details	Independence	Date of appointment	Term of office on the Board	Length of service on the Committee	Attendance
<b>7</b> MEETINGS	 <b>Dominique Senequier</b> (F) (Chairwoman) <b>Nationality: French</b> 66 years <sup>(1)</sup> – 21/08/1953	✓	04/06/2013	2022 GM	6.5 years	<b>100.00%</b>
<b>67%</b> INDEPENDENCE	<b>Estelle Brachlianoff</b> (F) <b>Nationality: French</b> 47 years <sup>(1)</sup> – 26/07/1972	✓	04/06/2019	2022 GM	0.5 year	<b>100.00%</b>
<b>67%</b> WOMEN	<b>Matthieu Dumas</b> (M) <b>Nationality: French</b> 47 years <sup>(1)</sup> – 06/12/1972		03/06/2008	2021 GM	11.5 years	<b>100.00%</b>
<b>AVERAGE ATTENDANCE</b>						<b>100.00%</b> <sup>(2)</sup>

(1) The age indicated is determined as of the date of filing of this Universal registration document, i.e. 25 March 2020.

(2) This figure reflects the average attendance of the members of the Audit and Risk Committee in office as of 31 December 2019, and does not take into account members who left the Committee during the year.

### Changes in 2019


Departures	Appointments	Renewals
<ul style="list-style-type: none"> <li>♦ The term of office of Mr Robert Peugeot, an independent member of the Supervisory Board of Hermès International since 2007 and member of the Audit and Risk Committee and the CAG-CSR Committee, expired at the end of the General Meeting of 4 June 2019;</li> <li>♦ Ms Sharon MacBeath resigned from her office as a member of the Supervisory Board for personal reasons effective 20 March 2019, meaning that she also resigned from her office as a member of the CAG-CSR Committee.</li> </ul>	<ul style="list-style-type: none"> <li>♦ Ms Estelle Brachlianoff was appointed as an independent member of the Supervisory Board at the General Meeting of 4 June 2019 and joined the CAG-CSR Committee.</li> </ul>	<ul style="list-style-type: none"> <li>♦ The term of office of Ms Dominique Senequier was renewed at the General Meeting of 4 June 2019.</li> </ul>

### Attendance

Details of the attendance of members of the CAG-CSR Committee are provided in previous page.



## Summary presentation of the members of the Audit and Risk Committee at 31 December 2019

2019 DATA	Personal details	Independence	Specific financial, accounting and risk management skills	Date of appointment	Term of office on the Board	Length of service on the Committee	Attendance
<b>6</b> MEETINGS – <b>60%</b> INDEPENDENCE – <b>40%</b> WOMEN							
	<b>Monique Cohen</b> (F) (Chairwoman) <b>Nationality: French</b> 64 years <sup>(1)</sup> – 28/07/1956	✓	✓	03/06/2014	2020 GM	5.5 years	<b>100.00%</b>
	<b>Charles-Éric Bauer</b> (M) <b>Nationality: French</b> 56 years <sup>(1)</sup> – 09/01/1964		✓	26/01/2005	2022 GM	14.5 years <sup>(2)</sup>	<b>100.00%</b>
	<b>Estelle Brachlianoff</b> (F) <b>Nationality: French</b> 47 years <sup>(1)</sup> – 26/07/1972	✓	✓	04/06/2019	2022 GM	0.5 year	<b>66.67%</b>
	<b>Renaud Momméja</b> (M) <b>Nationality: French</b> 58 years <sup>(1)</sup> – 20/03/1962		✓	03/06/2008	2020 GM	11.5 years	<b>83.33%</b>
	<b>Alexandre Viros</b> (M) <b>Nationality: Franco-American</b> 42 years <sup>(1)</sup> – 08/01/1978	✓	✓	04/06/2019	2021 GM	0.5 year	<b>100.00%</b>
<b>AVERAGE ATTENDANCE</b>							<b>92.00%</b> <sup>(3)</sup>

(1) The age indicated is determined as of the date of filing of the 2019 Universal Registration Document, i.e. 25 March 2020.

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

(3) This figure reflects the average attendance of the members of the Audit and Risk Committee in office as of 31 December 2019, and does not take into account members who left the Committee during the year.

## Changes in 2019

Departures	Appointments	Renewals
<ul style="list-style-type: none"> <li>♦ The term of office of Mr Robert Peugeot, an independent member of the Supervisory Board of Hermès International since 2007 and member of the Audit and Risk Committee and the CAG-CSR Committee, expired at the end of the General Meeting of 4 June 2019;</li> <li>♦ Ms Sharon MacBeath resigned from her office as a member of the Supervisory Board for personal reasons effective 20 March 2019, meaning that she also resigned from her office as a member of the Audit and Risk Committee.</li> </ul>	<ul style="list-style-type: none"> <li>♦ Ms Estelle Brachlianoff was appointed as an independent member of the Supervisory Board at the General Meeting of 4 June 2019 and joined the Audit and Risk Committee;</li> <li>♦ Mr Alexandre Viros was appointed as an independent member of the Supervisory Board at the General Meeting of 4 June 2019 and joined the Audit and Risk Committee.</li> </ul>	<ul style="list-style-type: none"> <li>♦ The term of office of Mr Charles-Éric Bauer was renewed at the General Meeting of 4 June 2019.</li> </ul>

## Attendance

Details of the attendance of members of the CAG-CSR Committee are provided on page 23.

## INFORMATION ON THE PEOPLE WHOSE REAPPOINTMENT IS SUBMITTED TO THE COMBINED GENERAL MEETING FOR APPROVAL


### SUBMITTED REAPPOINTMENTS

<p><b>Age</b> 59 years <sup>1</sup> (1 March 1961)</p> <p><b>Nationality</b> French</p> <p><b>Address</b> c/o Hermès International 24, rue du Faubourg-Saint-Honoré 75008 Paris</p> <p><b>Shares held on 31 December 2019</b> <b>200</b> in full ownership and registered</p> <p><b>Date of first appointment</b> <b>Supervisory Board</b> 6 June 2017</p> <p><b>Term of current office</b> 2020 GM</p>	 <p><b>DOROTHÉE ALTMAYER</b> <b>Member of the Hermès International Supervisory Board</b> <i>Direct descendant of Mr Émile-Maurice Hermès</i></p> <p><b>Summary of main areas of expertise and experience</b></p> <p>Ms Dorothee Altmayer holds a degree in clinical psychology from École de psychologues praticiens (EPP/Psychoprat) (1984), a diploma in graphology from the Société française de graphologie (1987) and a diploma in plastic arts mediation psychotherapy (2006).</p> <p>She first worked as a recruitment and outplacement consultant at International Business Drive (Algoe Executive group). Since 2000 she has been a practising clinical psychologist.</p> <p>She has held temporary positions at the Hôpital Necker, the 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 run her own private practice, specialising in parent-child interviews, psychological assessments and individual art therapy sessions for children.</p> <p>She brings to the Board her in-depth knowledge of the history and culture of Hermès. Her professional background, her skills in human resources, and the commitment with which she carries out her duties enable her to make an effective contribution to the quality of the discussions and work of the Board in all of its areas of responsibility.</p>
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<b>Main activities outside the Company</b>	Clinical psychology specialising in parent-child interviews, psychological assessments and individual art therapy sessions for children.		
<b>Offices and positions held during financial year 2019</b>	<b>In Hermès Group companies</b>	<b>French companies</b> ▲ ♦ <b>Hermès International</b> ● Member of the Supervisory Board ♦ <b>Comptoir Nouveau de la Parfumerie</b> * Director	<b>Foreign companies</b> ▲ None
	<b>Outside Hermès Group companies</b>	<b>French companies</b> ♦ <b>Alvila</b> Executive Chairwoman ♦ <b>Alvila Immobilier</b> Executive Chairwoman ♦ <b>H2</b> Director	<b>Foreign companies</b> None
	<b>Other offices and positions held during the previous four financial years and ending before 1 January 2019</b>	<b>French companies</b> ♦ <b>Hermès Sellier</b> ▲ Member of the Management Board (term ended on 12/09/2017)	<b>Foreign companies</b> None

(1) The age indicated is determined as of the date of filing of the 2019 Universal Registration Document, i.e. 25 March 2020.

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

<p><b>Age</b> 64 years <sup>1</sup> (28 January 1956)</p> <p><b>Nationality</b> French</p> <p><b>Address</b> c/o Hermès International 24, rue du Faubourg-Saint-Honoré 75008 Paris</p> <p><b>Shares held on 31 December 2019</b> <b>250</b> in full ownership and registered —</p> <p><b>Date of first appointment</b> <b>Supervisory Board</b> 3 June 2014 <b>Audit and Risk Committee</b> 3 June 2014 <b>Term of current office</b> 2020 GM</p>	 <p><b>MONIQUE COHEN</b> <b>Independent member of the Hermès International Supervisory Board (Vice-Chairwoman)</b> <b>Member of the Audit and Risk Committee (Chairwoman)</b></p> <hr/> <p><b>Summary of main areas of expertise and experience</b></p> <p>Ms Monique Cohen is a graduate of École Polytechnique (X76), and holds a Master's degree in mathematics and a degree in business law.</p> <p>She began her career in 1979 at Paribas as a senior banker, then as the worldwide manager for equity-related métiers. Since 2000 she has been a partner at Apax Partners, in charge of investments in business services, financial services and healthcare.</p> <p>Ms Monique Cohen is a lead independent director of the Safran group. She was appointed to the Board of Directors of BNP Paribas on 12 February 2014. Until September 2014 she sat on the Board of the Financial Markets Authority (AMF).</p> <p>Her professional background, her experience as a manager and director of large international groups, her knowledge of financial and banking markets, her expertise in managing equity investments and her financial vision of shareholders, and the commitment with which she carries out her duties and chairs the Audit and Risk Committee enable her to make an effective contribution to the quality of the discussions and work of the Board in all of its areas of responsibility.</p>
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**Main activities outside the Company**

Partner at Apax Partners in charge of investments in business services, financial services and healthcare

Offices and positions held during financial year 2019	In Hermès Group companies	French companies ▲ ♦ <b>Hermès International</b> ● Vice-Chairwoman and member of the Supervisory Board, Chairwoman of the Audit and Risk Committee	Foreign companies ▲ None
	Outside Hermès Group companies	French companies ♦ <b>Apax Partners MidMarket</b> Director ♦ <b>BNP Paribas</b> ● * Director Member of the Internal Control, Risk and Compliance Committee Chairwoman of the Governance, Ethics, Nominations and CSR Committee ♦ <b>Safran</b> ● * Lead independent director and Chairwoman of the Appointments and Compensation Committee ♦ <b>SC Fabadari</b> Partner ♦ <b>Fidès Participations</b> Member of the Supervisory Board	Foreign companies ♦ <b>Proxima Investissement (Luxembourg)</b> Chairwoman of the Board of Directors and director

(1) The age indicated is determined as of the date of filing of the 2019 Universal Registration Document, i.e. 25 March 2020.

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

**Other offices and positions held during the previous four financial years and ending before 1 January 2019****French companies**◆ **Altamir Gérance**Deputy Chief Executive Officer  
(term ended on 04/05/2015)◆ **Global Project SAS**Member of the Supervisory Board  
(term ended on 15/09/2017)◆ **JC Decaux** ●Member of the Supervisory Board  
(term ended on 11/05/2017)◆ **Trocadéro Participations**Member of the Supervisory Board  
(until 26/07/2016)◆ **Trocadéro Participations II**


Chairwoman (term ended on 26/07/2016)

**Foreign companies**

None

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

<p><b>Age</b> 58 years <sup>1</sup> (20 March 1962)</p> <p><b>Nationality</b> French</p> <p><b>Address</b> c/o Hermès International 24, rue du Faubourg-Saint-Honoré 75008 Paris</p> <p><b>Shares held on 31 December 2019</b> <b>150,012</b> in full ownership and registered —</p> <p><b>Date of first appointment</b> <b>Supervisory Board</b> 2 June 2005 <b>Audit and Risk Committee</b> 3 June 2008 <b>Term of current office</b> 2020 GM</p>	 <p><b>RENAUD MOMMÉJA</b> <b>Member of the Hermès International Supervisory Board</b> <b>Member of the Audit and Risk Committee</b> <i>Direct descendant of Mr Émile-Maurice Hermès</i></p> <hr/> <p><b>Summary of main areas of expertise and experience</b></p> <p>Mr Renaud Momméja is a graduate of the École Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA).</p> <p>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.</p> <p>He brings to the Board his in-depth knowledge of the history and culture of Hermès, and Asia. His professional background, his expertise in the fields of property, finance, corporate strategy and CSR, and the commitment with which he carries out his duties and participates in the Audit and Risk Committee enable him to make an effective contribution to the quality of the discussions and work of the Board in all of its areas of responsibility.</p>
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**Main activities outside the Company**

Executive Chairman of SARL Tolazi and Representative of SC Lor on the Executive Management of SC du Château Fourcas Hosten.

Offices and positions held during financial year 2019	In Hermès Group companies	French companies ▲	Foreign companies ▲
	Outside Hermès Group companies	French companies	Foreign companies
		<p>◆ <b>Hermès International ●</b> Member of the Supervisory Board and Audit and Risk Committee</p> <p>◆ <b>Comptoir Nouveau de la Parfumerie *</b> Director</p>	<p>◆ <b>JL &amp; Co (United Kingdom)</b> Director</p>
		<p>◆ <b>Altizo</b> Executive Chairman</p> <p>◆ <b>Binc</b> Executive Chairman</p> <p>◆ <b>GFA Château Fourcas Hosten</b> Executive Co-Chairman</p> <p>◆ <b>H2</b> Chairman and director</p> <p>◆ <b>Huso *</b> Director</p> <p>◆ <b>Lor</b> Executive Co-Chairman</p> <p>◆ <b>Rose Investissement</b> Executive Chairman</p> <p>◆ <b>SARL Tolazi</b> Executive Chairman</p> <p>◆ <b>SCI AJImmo</b> Executive Co-Chairman</p> <p>◆ <b>SCI Auguste Hollande</b> Executive Co-Chairman</p> <p>◆ <b>SCI Briand Villiers I</b> Chairman of SIFAH, Executive Chairman (since 05/06/2019)</p>	<p>None</p>

(1) The age indicated is determined as of the date of filing of the 2019 Universal Registration Document, i.e. 25 March 2020.

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

Offices and positions held during 2019	Outside Hermès Group companies	French companies	Foreign companies
		<ul style="list-style-type: none"> <li>◆ <b>SCI de l'Univers</b> Executive Chairman</li> <li>◆ <b>SCI Tibemo</b> Executive Co-Chairman</li> <li>◆ <b>SCI Zotila Vaugirard</b> Chairman</li> <li>◆ <b>SIFAH</b> Chairman</li> <li>◆ <b>Société civile du Château Fourcas Hosten</b> Permanent Representative of Lor, Executive Chairman</li> </ul>	None
Other offices and positions held during the previous four financial years and ending before 1 January 2019		<ul style="list-style-type: none"> <li>◆ <b>28-30-32 Faubourg-Saint-Honoré</b> Chairman (term ended on 02/07/2015)</li> <li>◆ <b>H2</b> Chairman (term ended on 18/05/2016)</li> <li>◆ <b>SCI du 74 rue du Faubourg-Saint-Antoine</b> Executive Co-Chairman (term ended on 18/01/2019)</li> <li>◆ <b>SCI Briand Villiers I</b> Executive Chairman (term ended on 05/06/2019)</li> <li>◆ <b>SCI Briand Villiers II</b> Executive Chairman (term ended on 04/12/2019)</li> <li>◆ <b>Société immobilière du Faubourg-Saint-Honoré "SIFAH"</b> Executive Chairman (term ended on 02/07/2015)</li> </ul>	None

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

<b>Age</b>
59 years <sup>1</sup> (9 June 1960)
<b>Nationality</b>
French
<b>Address</b>
c/o Hermès International 24, rue du Faubourg-Saint-Honoré 75008 Paris
<b>Shares held on 31 December 2019</b>
<b>203</b>
wholly-owned and registered
—
<b>Date of first appointment</b>
<b>Supervisory Board</b>
7 June 2010 (he previously held this office from 2005 until 2008)
Chairman of the Supervisory Board 3 March 2011
Éric de Seynes was also:
Member of the Audit and Risk Committee from 2005 to 2008 and Member of the Émile Hermès SARL Executive Management Board from 2008 to 2010
<b>Term of current office</b>
2020 GM



## ÉRIC DE SEYNES

**Member of the Hermès International Supervisory Board (Chairman)**

*Direct descendant of Mr Émile-Maurice Hermès*

### Summary of main areas of expertise and experience

Mr Éric de Seynes is a graduate of the École Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA) with a specialisation in marketing.

Until 2017 he was successively: Head of Marketing for Mobil Oil Française, Director of Sponsoring for Seita, Marketing Director for Sonauto-Yamaha, Director of Marketing and Sales for Yamaha Motor France, Chairman of Groupe option, Chairman and CEO of Yamaha Motor France, Operational Director of Yamaha Motor Europe, and Chief Operating Officer of Yamaha Motor Europe.

He has been Chairman and 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.

His appointment as Senior Executive Officer of Yamaha Motor Co, Ltd (Japan) will be submitted to that company's General Meeting scheduled for the end of March 2020.

He brings to the Board his in-depth knowledge of the history and culture of Hermès, as well as his leadership skills. His professional background, his extensive managerial experience, his skills as an operational and functional manager of an industrial group with an international dimension, and the commitment with which he carries out his duties and chairs the Board enable him to make an effective contribution to the quality of the discussions and work of the Board in all of its areas of responsibility.

### Main activities outside the Company

Chairman and Chief Executive Officer of Yamaha Motor Europe

	In Hermès Group companies	French companies ▲	Foreign companies ▲
Offices and positions held during 2019		<b>◆ Hermès International ●</b> Chairman and member of the Supervisory Board <b>◆ Hermès Sellier</b> Member of the Management Board	None
	Outside Hermès Group companies	French companies	Foreign companies
		<b>◆ CAPI</b> Co-Executive Chairman <b>◆ Groupe option SAS</b> Chairman <b>◆ H51</b> Director <b>◆ MBK SA</b> Director <b>◆ Sféric SAS</b> Chairman <b>◆ Yamaha Motor France Finance SAS</b> Director (since 01/12/2018)	<b>◆ Yamaha Motor Europe NV (Netherlands)</b> Chairman and Chief Executive Officer (since 01/12/2018) <b>◆ Inha Works Limited (Finland)</b> Director <b>◆ Motori Minarelli (Italy)</b> Director <b>◆ Yamaha Motor Germany gmbh (Germany)</b> Chairman <b>◆ YMRE S.p.A (Italy)</b> Director

(1) The age indicated is determined as of the date of filing of the 2019 Universal Registration Document, i.e. 25 March 2020.

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

**Other offices and positions held during the previous four financial years and ending before 1 January 2019****French companies**

- ◆ **Brame et Lorenceau**  
Director (term ended on 31/12/2015)
- ◆ **C.S.I.A.M**  
Co-Chairman (term ended on 16/11/2017)
- ◆ **Les Producteurs SA**  
Director (until January 2019)
- ◆ **Natureo Finance SAS**  
Member of the Management Board  
(term ended on 31/12/2015)
- ◆ **Yamaha Motor France**  
Director, and Chairman and Chief Executive  
Officer (term ended on 01/02/2015)

**Foreign companies**

- ◆ **Yamaha Motor Turkey (Turkey)**  
Director (term ended on 31/12/2015)

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



## REMUNERATION AND BENEFITS PAID TO CORPORATE OFFICERS

### COMPENSATION POLICY FOR THE EXECUTIVE CHAIRMEN (EXECUTIVE CORPORATE OFFICERS) AND MEMBERS OF THE SUPERVISORY BOARD (NON-EXECUTIVE CORPORATE OFFICERS)

#### Framework in force in 2019

The provisions resulting from law 2016-1691 of 9 December 2016 relating to transparency, the fight against corruption and the modernisation of economic life (known as “Sapin II”), in particular Articles L. 225-37-2 and L. 225-82-2 of the French Commercial Code (*Code de commerce*) relating to:

- ♦ approval by the General Meeting of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the compensation of Executive Corporate Officers (*ex-ante* vote);
- ♦ approval of the components of compensation paid or allocated in application of the said principles (*ex-post* vote) to executive and non-Executive Corporate Officers,

were not applicable to partnerships limited by shares by virtue of Article L. 226-1 of the same Code, which expressly excludes them.

The Company complied with the recommendations of the Afep-Medef Code (revised in November 2016) by asking the General Meeting to vote *ex-post* on the compensation of the Executive Chairmen, on an advisory basis (see the 2018 registration document – explanatory memorandum on page 372).

The 2018 compensation of the Executive Chairmen was accordingly submitted to a vote of the General Meeting in 2019.

In addition, pursuant to Article L. 225-42-1 of the French Commercial Code (*Code de commerce*), commitments in respect of the Executive Chairmen’s deferred compensation (commitments corresponding to compensation, indemnities or benefits due or liable to be due as a result of the termination or change of these functions, or subsequent to these functions, or defined-benefit pension commitments) were subject to the strengthened regulated agreements procedure. These commitments therefore required a decision by the Supervisory Board and approval by the General Meeting in a specific resolution.

#### Framework applicable from 2020

Order 2019-1234 of 27 November 2019 created a new mechanism applicable to partnerships limited by shares (*sociétés en commandite par actions*) as regards Senior Executive compensation.

This text comes into force for the Company from the date of the Combined General Meeting of 24 April 2020.

The new framework is based on a dual vote by the Ordinary General Meeting and the Active Partner:

- ♦ an initial annual *ex-ante* vote will be taken on the **compensation policy** for Corporate Officers (i.e. the Executive Chairmen and members of the Supervisory Board). This policy must set out the principles and criteria, aligned with the interests of the Company, determining the compensation of Corporate Officers. The policy is binding, which means that compensation paid to Corporate Officers is confined to that set out in a previously approved compensation policy.

If a new compensation policy is rejected, the most recent approved policy continues to apply and a revised compensation policy is submitted to the Company’s next Ordinary General Meeting. In the absence of a previously approved compensation policy, compensation is determined in accordance with the compensation granted for the previous financial year or, in the absence of compensation granted for the previous financial year, in accordance with existing practices within the Company.

In exceptional circumstances, it is possible to depart from the application of the compensation policy if this departure is temporary, aligned with the corporate interest and necessary to guarantee the Company’s continuity or viability;

- ♦ a second *ex-post* vote is taken on the content of the **corporate governance report** setting out the compensation paid or awarded to Corporate Officers during the prior financial year. The content of this report has been expanded to include new disclosures, including equity ratios.

Several resolutions must be presented:

- a resolution on disclosures concerning all compensation paid or awarded to Corporate Officers during or in respect of the prior financial year (i.e. the Executive Chairmen, the Chairman of the Supervisory Board and other members of the Board).

If rejected, a revised compensation policy is submitted to the Company’s next Ordinary General Meeting. The payment of compensation to Supervisory Board members for the current financial year (formerly termed “directors’ fees”) is suspended until a revised compensation policy is approved. If the revised compensation policy is rejected, the suspended amounts are not paid and the compensation of the members of the Supervisory Board for the current financial year is suspended,

- a resolution for each Executive Chairman and a resolution for the Chairman of the Supervisory Board concerning the total compensation and benefits of any kind paid during or awarded in respect of the prior financial year (Supervisory Board members are not subject to individual votes). The payment of the variable and exceptional portion of the compensation of the relevant person is subject to the prior approval of the resolution concerning him/her.

## COMPENSATION POLICY GUIDELINES FOR CORPORATE OFFICERS

Pursuant to paragraph 4 of Article L. 226-8-1-I of the French Commercial Code (*Code de commerce*), resulting from the aforementioned order, we hereby present the compensation policy for Corporate Officers (Executive Chairmen and members of the Supervisory Board).

This policy describes all components of fixed and variable compensation and explains the decision-making process applied for its determination, review and implementation.

The operating rules specific to partnerships limited by shares and the Company's governance system have resulted in the establishment of the compensation policy for Senior Executives (Executive Chairmen) and other Corporate Officers (Supervisory Board members) being entrusted to the Active Partner and the Supervisory Board respectively.

After outlining the general principles applicable to all Corporate Officers, we will present the specific principles of the compensation policy for the Executive Chairmen, then the specific principles of the compensation policy for the members of the Supervisory Board.

The AMF encourages companies adhering to the Afep-Medef Code "to draft separate resolutions for each category of Senior Executive where the principles and criteria for determining, allocating and awarding compensation to each category of Senior Executive are distinct and/or the scope of the vote cast by shareholders is different." (AMF Recommendation 2012-02, section 2.1.8, renewed on 3 December 2019).

In addition, the compensation policy for Corporate Officers will be the subject of two separate resolutions at the General Meeting of 24 April 2020: the first will deal with the compensation policy for the Executive Chairmen and the second with the compensation policy for the members of the Supervisory Board.

**Manner in which the compensation policy respects the interests of the Company and contributes to the Company's commercial strategy and sustainability (Article R. 226-1-1, I-1° of the French Commercial Code (*Code de commerce*))**

The compensation policies for the Executive Chairmen and Supervisory Board members are aligned with the corporate interest and contribute to the Company's commercial strategy and sustainability for the following reasons:

As regards the Executive Chairmen:

- ◆ since the Company's transformation into a partnership limited by shares, the maximum amount of ("statutory") variable compensation of the Executive Chairmen has been determined by the Articles of Association (Article 17);
- ◆ the maximum amount of ("additional") fixed compensation of the Executive Chairmen and its indexation were determined by the Ordinary General Meeting of 31 May 2001;

- ◆ the compensation of the Executive Chairmen is determined on the basis of clear, quantifiable criteria (notably growth in revenue and change in consolidated net income before tax, as described on page 37) that are relevant to its business model and have remained unchanged for a considerable number of years;
- ◆ the variable compensation is subject in part (10%) to a CSR criterion reflecting the Group's firm and ongoing commitments to sustainable development (for the composition of the CSR criterion, see page 37);
- ◆ the composition of compensation is simple and clear – fixed and variable compensation, without resorting to complex deferred compensation mechanisms and without guaranteeing a minimum variable compensation in the event of a poor economic performance by the Company;
- ◆ the Executive Management Board of Émile Hermès SARL sets the actual amount of each Executive Chairman's statutory annual compensation as per the Articles of Association. To this end, it uses the recommendations of the CAG-CSR Committee and in , in addition to the level of achievement of CSR criteria, 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.

As regards the members of the Supervisory Board:

- ◆ the principles governing allocation set out in the compensation policy for members of the Supervisory Board result in amounts being awarded on the basis of the tasks entrusted to them and their attendance at meetings;
- ◆ these principles are periodically reviewed in line with market practices.

**Manner in which the conditions of compensation and employment of the Company's employees are taken into account in the decision-making process (Article R. 226-1-1, I-3° of the French Commercial Code (*Code de commerce*))**

The conditions of compensation and employment of the Group's employees are described in chapter 2 of the 2019 Universal Registration Document pages 88 *et seq.*

With regard more specifically to the conditions governing compensation, Hermès' economic successes are regularly shared with all Group employees, both in France and around the world, in various forms. The aim is to acknowledge the contribution made by employees to the House's development, regardless of their role in the value-creation chain, in order to share the benefits of our growth over the long term.

The Group's policy is to allow its employees to benefit from its long-term growth prospects through various mechanisms:

- ◆ in general, in all the countries where the Company operates, its employees are paid in line with market standards in terms of their total compensation;

- ◆ the Company also offers its employees:
  - employee share ownership plans: such plans have been in place for many years (the first plan dates back to 1993) and acknowledge the contribution made by employees to the House's development, regardless of their role or geographical location, by providing a single component of compensation in order to share the benefits of our growth, enabling employees to identify more closely with decisions having an impact on Hermès' long-term growth,
  - incentive schemes involving employees with the development of locally determined indicators that are relevant with regard to the activity and environment of each of the French subsidiaries, notably quality, safety and productivity,
  - a Group profit-sharing agreement giving all employees of companies in France a share of the Group's profits in a harmonised manner,
  - other mechanisms enabling employees of foreign subsidiaries to benefit from additional compensation adapted to local performance and practices.

The Group's employee compensation policy is ambitious and comprehensive; it incorporates a wide range of compensation tools.

The budget guidelines for wage increases during the annual salary review take account of inflation and changes in local wage markets. Particular attention is paid to gender equality and gaps in relation to the market (internal and external). Specific budgets may be provided if adjustments are necessary.

Hermès is committed to rewarding employee performance at both the collective and individual levels, and the development of variable compensation at both levels in recent years also reflects this commitment.

#### Measures to avoid or manage conflicts of interest (Article R. 226-1-1, I-2° of the French Commercial Code (*Code de commerce*))

A number of measures have been implemented to prevent possible conflicts of interest:

- ◆ the maximum amount of ("statutory") variable compensation of the Executive Chairmen is determined by the Articles of Association (Article 17);
- ◆ the maximum amount of ("additional") fixed compensation of the Executive Chairmen and its indexation were determined by the Ordinary General Meeting of 31 May 2001;
- ◆ since its creation on 24 March 2010, the CAG-CSR Committee of the Supervisory Board of Hermès International has been tasked each year with ensuring that compensation paid to the Executive Chairmen complies with the provisions of the Articles of Association and the decisions made by the Active Partner;
- ◆ changes to the two components of the compensation of Executive Chairmen depend on objective and comprehensible quantifiable qualitative criteria unaltered for many years, that are public and predefined by nature, as described under the heading "Specific compensation policy guidelines for Executive Chairmen" (see following pages);
- ◆ when setting the actual amount of each Executive Chairman's statutory annual compensation under the Articles of Association, the Executive Management Board of Émile Hermès SARL uses the recommendations of the CAG-CSR Committee and takes into account in its decision the performance achieved by the Group in respect of the prior financial year, the strategic challenges in respect of the Group's medium- and long-term development and the competitive environment in which it operates;
- ◆ from 2020, the compensation policy for the Executive Chairmen is subject to the advisory opinion of the General Meeting and the actual compensation of the Executive Chairmen is subject to a decision by the Supervisory Board.

#### Disclosure methods of the compensation of Corporate Officers

Pursuant to Article R. 226-1-1, V of the French Commercial Code (*Code de commerce*), the compensation policy for Corporate Officers, together with the date and result of the last *ex-ante* vote in the General Meeting, is disclosed on the Company's financial website <https://finance.hermes.com> on the business day following the date of the vote.

Pursuant to Article 26.1 of the Afep-Medef Code updated in January 2020, all potential or vested compensation of the Executive Chairmen is disclosed on the Company's financial website <https://finance.hermes.com> immediately after the meeting of the Executive Management Board of the Active Partner that approved it.

## SPECIFIC COMPENSATION POLICY GUIDELINES FOR EXECUTIVE CHAIRMEN (EXECUTIVE CORPORATE OFFICERS)

Decision-making process followed for its determination, review and implementation applicable as of the General Meeting of 24 April 2020

### COMPENSATION POLICY FOR EXECUTIVE CHAIRMEN



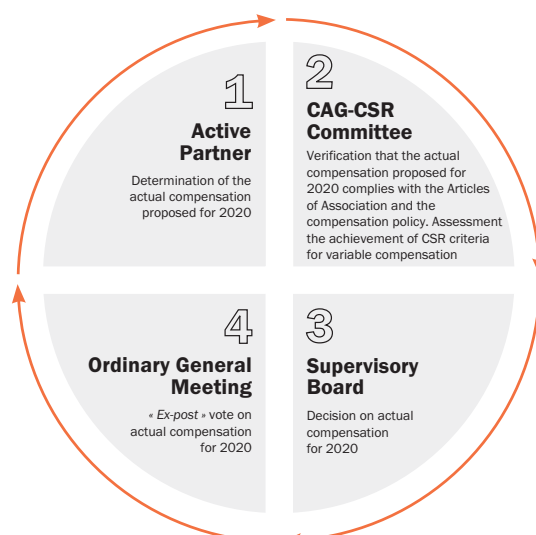
#### Decision-making process for the establishment of the Executive Chairmen's compensation policy

The components of the Executive Chairmen's compensation policy are established by Émile Hermès SARL, Active Partner. The decision is made taking into account the principles and conditions provided for in Article 17 of the Articles of Association with respect to the ("statutory") variable compensation and, by reference to the Articles of Association, the decision of the Ordinary General Meeting of 31 May 2001 with respect to ("additional") fixed compensation.

It is submitted to the Supervisory Board for an advisory opinion.

From 2020, the compensation policy for the Executive Chairmen will be submitted each year to the Ordinary General Meeting for approval (*ex-ante* vote).

### ACTUAL COMPENSATION OF THE EXECUTIVE CHAIRMEN



#### Decision-making process for determining actual compensation of the Executive Chairmen

The actual amount of the Executive Chairmen's compensation is determined each year by Émile Hermès SARL, Active Partner, in accordance with the approved compensation policy, which is then submitted to the Supervisory Board for approval.

The CAG-CSR Committee of the Supervisory Board:

- ♦ assesses the achievement of the indicators comprising the CSR criterion for Executive Chairmen's variable compensation;
- ♦ checks that the actual compensation of the Executive Chairmen complies with the Articles of Association and the compensation policy.

From 2020, the actual overall compensation of Corporate Officers (including that of the Executive Chairmen) and the actual individual compensation of each Executive Chairman will be subject, each year, to approval (and no longer simply, for the Executive Chairmen, to an advisory opinion) by the Ordinary General Meeting (*ex-post* votes).

### Changes made to the compensation policy of the Executive Chairmen since the last General Meeting (Article R. 226-1-1, I-5° of the French Commercial Code (*Code de commerce*))

The rate of approval by the General Meeting of 4 June 2019 of the ex-post resolutions validating opinions on the components of the compensation due or awarded in respect of the year ended 31 December 2018 was 94.58% for Mr Axel Dumas and 94.38% for Émile Hermès SARL.

With the exception of the incorporation of a CSR criterion into the variable portion from 2019 (see below), announced at the General Meeting, of 4 June 2019, no changes have been made to the compensation policy.

### Terms of application to newly appointed or reappointed Executive Chairmen (Article R. 226-1-1, I-6° of the French Commercial Code (*Code de commerce*))

The term of office of the Executive Chairmen is indefinite under the terms of the Articles of Association, and is therefore not subject to renewal.

The compensation policy would apply to newly appointed Executive Chairmen on a *pro-rata* basis in accordance with their presence during the first year of their term.

### Exceptions to the application of the compensation policy (Article R. 226-1-1, I-7° of the French Commercial Code (*Code de commerce*))

In the event that exceptional circumstances should arise, the Executive Management Board is authorised to temporarily waive the application of the compensation policy used to set the variable compensation of the Executive Chairmen, within the limit authorised by the Articles of Association, and after the favourable opinion of the Supervisory Board.

### Specific components of the compensation policy for the Executive Chairmen (Article R. 226-1-1, II of the French Commercial Code (*Code de commerce*))

Pursuant to Articles L. 226-8-1 and R. 226-1-1 of the French Commercial Code (*Code de commerce*), we set out below the specific components comprising the compensation policy for the Executive Chairmen.

#### When the office is taken up

No such commitment exists.

#### During their term of office

The term of office of the Executive Chairmen is open-ended. The Executive Chairmen may be dismissed by a decision of the Active Partner.

#### Annual fixed and variable compensation and respective importance - CSR criterion for variable compensation

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

- 1) fixed compensation (referred to as “additional compensation” in the Articles of Association) was introduced by the Ordinary General Meeting of 31 May 2001, which set a ceiling of €457,347.05, and provided for it to be indexed upwards only, in accordance with any

increase in consolidated revenue for the previous financial year over the year prior to that, at constant scope and exchange rates. Fixed compensation is, therefore, set on an annual basis. In accordance with this principle and to facilitate understanding of how the additional compensation of Executive Chairmen is calculated before indexing, it is referred to as “fixed compensation” by analogy with market practices;

- 2) the calculation of the variable compensation (referred to as “statutory compensation”) set by Article 17 of the Articles of Association has remained constant since the IPO on 3 June 1993. This compensation is capped at 0.20% of the consolidated net income before tax generated in the previous financial year. This mode of determination naturally leads to a strict variability in the statutory compensation of Executive Chairmen, transparently and without any guarantee of a minimum amount. With the aim of clarity, the statutory compensation of the Executive Chairmen is referred to as “variable compensation”, by analogy with market practices.

Since 2019, the variable compensation of the two Executive Chairmen has been partially conditioned (10%) on a “CSR” criterion reflecting the Group’s stated and constant commitments in respect of sustainable development. The CSR criterion contributes to the objectives of the Executive Chairman’s compensation policy.

The indicators making up the CSR criterion relate to the following:

- ♦ decoupling between activity growth at constant scope and exchange rates and changes in industrial energy consumption (quantifiable environmental criterion);
- ♦ actions implemented in favour of the Group’s local integration in France and throughout the world, excluding major cities (qualitative societal criterion);
- ♦ Group initiatives in favour of gender balance (qualitative social criterion).

This new way of structuring the variable component of compensation was applied for the first time when assessing variable compensation owing for 2019, which is measured and paid in 2020 (see page 44).

Not exceeding the maximum amount of the approved compensation policy defined herein, and in accordance with the criteria and targets set out above, the Executive Management Board of Émile Hermès SARL, Active Partner, sets the actual amount of the annual compensation of each Executive Chairman as follows:

- ♦ target (“statutory”) variable compensation is set by applying the strict variability of the consolidated pre-tax result of variable compensation, 10% of which is conditional on the achievement of the targets making up the CSR criterion (see above);
- ♦ (“additional”) fixed compensation is set by applying the strict variability, upwards only, of revenue to the compensation of the previous financial year;
- ♦ the other components of compensation are set in strict application of the compensation policy for the Executive Chairmen.

The two components of Executive Chairmen compensation are changed according to clear and objective quantifiable criteria, unaltered for many years, that are publicly available and predefined by nature, as described in paragraphs 1 and 2 above.

Thus, no minimum ("statutory") variable compensation is guaranteed for the Executive Chairmen.

The Executive Management Board relies on the recommendations of the CAG-CSR Committee.

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

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

The breakdown of the actual compensation of the Executive Chairmen for the last two financial years is shown in Table 2 on page 48. Each year, the CAG-CSR Committee of the Supervisory Board of Hermès International is tasked with ensuring that the Executive Chairmen's compensation is compliant.

No predetermined weighting is applied with respect to fixed and variable compensation, which depend on the components described above (see page 37).

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

Mr Axel Dumas	2019	Proportion (not pre-established)	2018	2017
Fixed compensation (referred to as "additional" in the Articles of Association)	€1,623,378	47.70%	€1,470,773	€1,354,303
Variable compensation (referred to as "statutory" in the Articles of Association) awarded in respect of the previous financial year	€1,780,045	52.30%	€1,622,043	€1,420,353
<b>TOTAL</b>	<b>€3,403,423</b>	<b>100.00%</b>	<b>€3,092,816</b>	<b>€2,774,656</b>

Émile Hermès SARL	2019	Proportion (not pre-established)	2018	2017
Fixed compensation (referred to as "additional" in the Articles of Association)	€551,850	39.93%	€500,000	€500,000
Variable compensation (referred to as "statutory" in the Articles of Association) awarded in respect of the previous financial year	€830,083	60.07%	€756,409	€756,409
<b>TOTAL</b>	<b>€1,381,933</b>	<b>100.00%</b>	<b>€1,256,409</b>	<b>€1,256,409</b>

(1) For further explanation of changes, please refer to pages 45 and 46.

#### Methods for evaluating the achievement of performance criteria for variable compensation or share-based compensation (Article R. 226-1-1, paragraph I-4 of the French Commercial Code (Code de commerce))

The variable compensation (referred to as "statutory") of the Executive Chairmen is evaluated in accordance with the change in consolidated net income before tax for the prior financial year compared with the preceding financial year, and conditioned in the proportion of 10% on the achievement of the CSR criterion.

The evaluation of the amount of compensation subject to the CSR criterion is limited to a target of 100%, with no possibility of exceeding that limit.

Each of the three indices mentioned above:

- ◆ shall count as one-third of the CSR criterion;
- ◆ has an annual reference period;
- ◆ is subject to an annual evaluation of their achievement by the CAG-CSR Committee.

#### Deferred or multi-year variable compensation

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

#### Exceptional compensation

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

#### Share-based compensation (Article R. 226-1-1, II-2° of the French Commercial Code)

The Executive Chairmen do not currently receive any share-based compensation.

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

The eighteenth and nineteenth resolutions submitted to the Combined General Meeting of 24 April 2020 would make it possible, subject to their approved and if the Executive Chairmen's compensation policy were to change in the future, to grant stock options or performance shares to the Executive Chairmen under the conditions set out in said resolutions (see pages 73 to 77.).

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

#### Employment contract

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

#### Service agreements

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

Under a service contract dated 1 September 2005, amended several times since, Émile Hermès SARL makes use of the services of Hermès International to fulfil routine or exceptional legal, financial or secretariat duties. Any modification of the tasks assigned or re-invoicing specified (other than annual indexing) must be the subject of an amendment. This



contract and its existing or future amendments are subject to the procedure on related-party agreements, as indicated in the Statutory Auditors' special report on pages 82 and 83.

#### *Compensation of Board members (formerly termed "directors' fees") in the Company and the Group's subsidiaries*

The Executive Chairmen do not receive any compensation as Board members (formerly termed "directors' fees") paid by the Company or by the subsidiaries of the Group.

Similarly, note that the Group's allocation rules specify that the members of the Executive Committee of Hermès International who are directors in subsidiaries do not receive compensation in that capacity.

#### *Death and disability plan*

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

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

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

#### *Benefits of any kind*

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

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

Émile Hermès SARL does not receive benefits of any kind.

#### **At the end of the term of office**

##### *Severance payment*

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

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

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

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

The criteria for granting severance payments are therefore strictly confined to cases of forced departure.

Moreover, the payment of such compensation is subject to the following performance conditions, such 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 image.

The Supervisory Board accordingly considered that the deferred compensation undertaking made for the benefit of Mr Axel Dumas complied with the requirements of the Afep-Medef Corporate Governance Code.

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

##### *Non-competition payment*

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

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

##### *Supplementary pension plan*

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

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

As with all employees of the Group:

- the defined-contribution pension plan is funded as follows: 1.1% for the reference compensation for an amount of 1x the annual social security ceiling (hereunder PASS), 3.3% for the reference compensation between 1x and 2x PASS, and 5.5% on the reference compensation between 2x and 6x PASS. Reference compensation means the gross annual compensation in accordance with Article L. 242-1 of the French Social Security Code (*Code de la Sécurité sociale*);
- these premiums are shared between the Company (90.91%) and the beneficiary (9.09%);
- the employer contributions are deductible from the corporation tax base, subject to corporate social contributions at the rate of 20% and excluded from the base for social security contributions within the limit of the higher of the following two values: 5% of the PASS or 5% of the compensation retained within the limit of 5x PASS (€202,620 in 2019).

For information, if Mr Axel Dumas had been able to liquidate his retirement entitlements on 31 December 2019, the estimated maximum gross amount of annual pension under the defined-contribution pension plan would be €6,296.

Defined-benefit pension plan (Article 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*))

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”).

This pension plan is not limited to the Executive Chairmen.

In accordance with order no. 2019-697 of 3 July 2019 relating to defined-benefit occupational plans, no new members may join this scheme from 4 July 2019 and no new conditional right to benefits may

be awarded for periods of employment after 31 December 2019. It is financed by the Company through a contract with an outside insurance company, and premiums paid to this company are deductible from the corporation tax base. They are also subject to the employer's contribution on premiums at the rate of 24%. In addition, if applicable, provisions are recognised in the financial statements.

As a fundamental condition of the pension regulations, in order to be eligible for the scheme, beneficiaries must have reached the end of their professional career with the Company, have at least ten years of seniority as assessed at 4 July 2019 given the provisions of the aforementioned order of 3 July 2019, and be eligible to draw pension benefits under the basic French social security regime. This arrangement may be withdrawn in respect of Mr Axel Dumas by decision of the Supervisory Board.

If all eligibility requirements are met, the annual pension under this plan shall in no case exceed the amount of 8x the annual social security ceiling (€324,192 in 2019). In accordance with the rules of the plan, the rights under this plan shall be a function of:

- the average yearly compensation for the last three years;
- lastly, a percentage of the reference compensation, from 0.9% to 1.5% per year of seniority as assessed at 31 December 2019 given the provisions of the aforementioned order of 3 July 2019, *i.e.*, in any event, below the legal limit of 3%. For information, the maximum amount of the future pension, limited by the plan's regulations to eight times the annual Social Security limit, compared with the compensation for FY 2018 of the natural person Executive Chairmen would represent a replacement rate (excluding mandatory plans) of 10.27%; if Mr Axel Dumas had been able to liquidate his entitlements at 31 December 2019, the estimated maximum gross amount of the annual pension under the defined-benefit pension plan would be €65,979.

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

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

	Method of determination at 31/12/2019		
	Voluntary departure (excluding retirement)	Forced departure	Retirement
Severance payment	n/a	Subject to the applicable performance conditions: 24 months' compensation (fixed and variable)	n/a
Non-competition payment	n/a	n/a	n/a
Supplementary defined-benefit pension (Article 39 of the French General Tax Code – Article L. 137-11 of the French Social Security Code)	n/a	n/a	Annual pension amount: Number of years of seniority x (0.9% to 1.5%) x average yearly compensation for the last three years The pension will be capped at 8x PASS
Additional defined-contribution pension (Article 83 of the French General Tax Code)	The annual amount of the pension will be determined by conversion to savings pension established on the date of liquidation of retirement entitlements.		

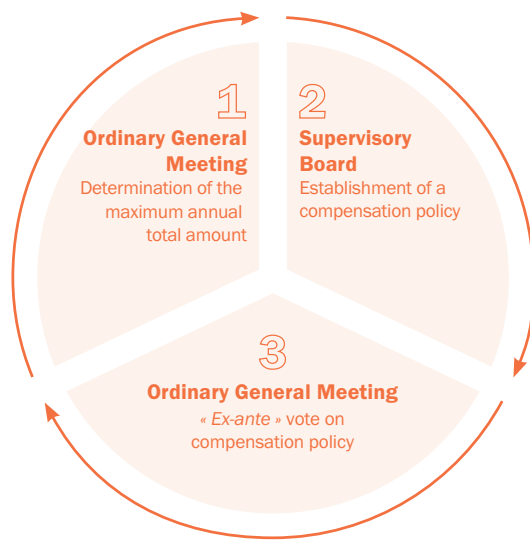
n/a: not applicable.



## SPECIFIC PRINCIPLES APPLICABLE TO THE COMPENSATION POLICY FOR MEMBERS OF THE SUPERVISORY BOARD (NON-EXECUTIVE CORPORATE OFFICERS)

Decision-making process followed for its determination, review and implementation, applicable from the General Meeting of 24 April 2020

### COMPENSATION POLICY FOR MEMBERS OF THE SUPERVISORY BOARD

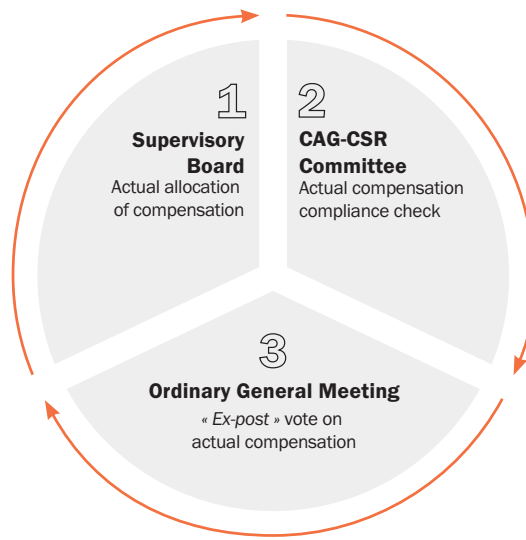


#### Decision-making process relating to the compensation policy for members of the Supervisory Board

The General Meeting sets the maximum annual total amount of compensation for the Supervisory Board. The components of the compensation policy for Supervisory Board members are established by the Supervisory Board.

The compensation policy for members of the Supervisory Board will be submitted to the Ordinary General Meeting for approval each year from 2020 (ex-ante vote).

### ACTUAL COMPENSATION OF MEMBERS OF THE SUPERVISORY BOARD



#### Decision-making process relating to the actual compensation of members of the Supervisory Board

The actual annual amount of compensation paid to the members of the Supervisory Board is determined by the Supervisory Board at the start of the year in respect of the previous year by applying the compensation policy and taking into account the individual attendance of each member during the previous financial year.

The Supervisory Board's CAG-CSR Committee checks that the actual compensation of Supervisory Board members complies with the total amount set by the General Meeting and the compensation policy for the members of the Supervisory Board.

The actual overall compensation of the Corporate Officers (including that of Supervisory Board members) and the actual individual compensation of the Chairman of the Supervisory Board will be submitted each year from 2020 to the approval of the Ordinary General Meeting (ex-post vote).

**Changes to the compensation policy for Supervisory Board members since the last General Meeting (Article R. 226-1-1, I-5 ° of the French Commercial Code (*Code de commerce*))**

No changes have been made to the compensation policy since the last General Meeting.

**Terms of application to newly appointed or reappointed members of the Supervisory Board (Article R. 226-1-1, I-6 ° of the French Commercial Code (*Code de commerce*))**

If a member is appointed during the year, the fixed portion is shared between the outgoing member and his or her replacement, and the variable portion is allocated according to attendance at meetings.

The compensation policy applies without interruption to members whose term of office is renewed.

**Exceptions provided for by the Supervisory Board (Article R. 226-1-1, I-7 ° of the French Commercial Code (*Code de commerce*))**

There are currently no temporary exceptions from the application of the compensation policy for the Supervisory Board members, subject to the occurrence of exceptional circumstances.

**Specific components of the compensation policy for the Supervisory Board members (Article R. 226-1-1, II of the French Commercial Code (*Code de commerce*))****Compensation of Supervisory Board and committee members**

Supervisory Board members receive compensation in a total amount that is approved by the General Meeting and for which the allocation principles are laid down in the Supervisory Board's compensation policy.

Compensation paid to members of the Audit and Risk Committee and of the CAG-CSR Committee is deducted from the total amount of compensation of the members of the Supervisory Board.

The General Meeting of 6 June 2017 set the maximum annual amount of compensation allocated to the Supervisory Board and its committees at €600,000.

The allocation principles (on a full-year basis) approved by the Board on 6 June 2017 and set out in Article 3.1 of the Board's rules of procedure are as follows:

- ♦ the maximum amounts that may be allocated to each member are set out in the table below;
- ♦ the variable component proportional to actual attendance at meetings has the heaviest weighting;
- ♦ Supervisory Board members representing employees do not receive compensation as members of the Board;
- ♦ the variable component proportional to a member's attendance at meetings is calculated by applying to the maximum amount of the variable component the ratio between the number of meetings attended (in the numerator) and the total number of meetings held during the last financial year (in the denominator);
- ♦ No variable component is allocated to the Chairman of the Supervisory Board or the Chairs of the Committees, since they must chair all meetings, unless they are prevented from doing so;
- ♦ the fixed and variable components are determined by the Board at its first meeting of the year following the year for which the compensation is paid.

	Fixed component	Proportion	Variable component proportional to attendance at meetings	Proportion	Total	
SUPERVISORY BOARD						
Chairman	€140,000	100.00%	n/a	n/a	€140,000	100.00%
Vice-Chairmen	€10,000	35.46%	€18,200	64.54%	€28,200	100.00%
Members	€10,000	35.46%	€18,200	64.54%	€28,200	100.00%
Employee representative members	n/a	n/a	n/a	n/a	€0	n/a
CAG-CSR COMMITTEE						
Chairman	€28,000	100.00%	n/a	0.00%	€28,000	100.00%
Members	€5,200	40.00%	€7,800	60.00%	€13,000	100.00%
AUDIT AND RISK COMMITTEE						
Chairman	€28,000	100.00%	n/a	0.00%	€28,000	100.00%
Members	€5,200	40.00%	€7,800	60.00%	€13,000	100.00%

n/a: not applicable.

The allocation principles include a fixed portion (35.46% for the Board and 40.00% for the committees) and a variable portion proportional to actual attendance at meetings (64.54% for the Board and 60.00% for the Specialised committees).

No additional compensation is paid to non-resident Board members.

**Employment contract**

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

Mr Frédéric Afriat (Chief Accountant of Comptoir Nouveau de la Parfumerie, Hermès Parfums), Supervisory Board member representing employees until 12 November 2019, Ms Pureza Cardoso (Maroquinière Table - Maroquinerie de Sayat) and Mr Rémy Kroll (Director of

Exceptional Sales – Hermès Commercial division), Supervisory Board members representing employees since 12 November 2019, have employment contracts with the Hermès Group, and as such receive compensation that has not been granted for the performance of their duties. Consequently, and for reasons of confidentiality, their salaries are not disclosed.

#### Stock options

No stock options were granted to Supervisory Board members in 2019, nor were any such options exercised by them.

#### Allocation of free shares

No free shares were allocated to members of the Supervisory Board in 2019, other than to members representing employees, who were awarded free shares under plans reserved for Group employees.

## OVERVIEW OF COMPENSATION AND BENEFITS OF ALL KINDS FOR CORPORATE OFFICERS

In accordance with the provisions of Order 2019-1234 of 27 November 2019, the corporate governance report must present all compensation and benefits of all kinds paid to Corporate Officers during the year or awarded in respect of their duties in 2019.

The report must also:

- disclose any compensation paid or granted by a company in the scope of consolidation;
- enable comparison between (i) the compensation of the Executive Corporate Officers (i.e. the Executive Chairmen) and the non-Executive Chairman (i.e. the Chairman of the Supervisory Board) on the one hand, and (ii) the average and median compensation of the Company's employees on the other hand.

This section presents the above-mentioned items, which will be the subject of an *ex-post* vote at the General Meeting of 24 April 2020 (see page 33).

### Compensation paid to the Executive Chairmen in the course of or allocated in respect of 2019 (Executive Corporate Officers) (Article L. 226-8-2 of the French Commercial Code (*Code de commerce*))

All the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during or awarded in respect

of the Financial year 2019 to Mr Axel Dumas on the one hand and to Émile Hermès SARL on the other hand, on which the shareholders' binding *ex-post* votes are based, are set out in the explanatory memorandum to the 8<sup>th</sup> and 9<sup>th</sup> resolutions to be put to the General Meeting of 24 April 2020 (pages 60 to 66).

These components are consistent with the compensation policy for the Executive Chairmen presented above.

In accordance with the new framework for Senior Executive compensation created by Order 2019-1234 of 27 November 2019, which comes into force for your company as of the Combined General Meeting of 24 April 2020, these components of compensation will be submitted for shareholder approval for the first time at the said Meeting, and have therefore never previously been the subject of a compensation policy subject to an *ex-ante* vote by the shareholders.

#### Compensation paid in 2019

All the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid in the course of 2019 to Mr Axel Dumas on the one hand and to Émile Hermès SARL on the other hand, in respect of their duties as Executive Chairmen, are set out in the explanatory memorandum to the 8<sup>th</sup> and 9<sup>th</sup> resolutions to be put to the General Meeting of 24 April 2020 (pages 60 to 66).

These components are consistent with the compensation policy for the Executive Chairmen presented above.

#### Compensation awarded in respect of 2019

The variable compensation of the Executive Chairmen awarded in respect of 2019 must, from 2020, be submitted to the approval of the General Meeting before its payment.

All the fixed, variable and exceptional components comprising the total compensation and benefits of any kind awarded in respect of 2019 to Mr Axel Dumas on the one hand and to Émile Hermès SARL on the other hand, in respect of their duties as Executive Chairmen, are set out in the explanatory memorandum to the 8<sup>th</sup> and 9<sup>th</sup> resolutions to be put to the General Meeting of 24 April 2020 (pages 60 to 66).

All these components are consistent with the compensation policy for the Executive Chairmen presented above.

At its meeting on 24 February 2020, the Active Partner's Executive Management Board set the Executive Chairmen's compensation as presented in the following table:

	Gross annual amount for 2020	
	Mr Axel Dumas	Émile Hermès SARL
Fixed compensation for 2020 ("additional" compensation)	€1,824,677	€620,279
Variable compensation allocated for 2019 ("statutory" compensation)	€1,956,269	€912,261
<b>TOTAL</b>	<b>€3,780,946</b>	<b>€1,532,540</b>

As in previous years, the Executive Management Board of the Active Partner takes into account, in its decision, the Group's performance over the past year, the strategic challenges in respect of the Group's medium- to long-term development, the competitive environment in which it operates and the principles of variability contained in the provisions of the Articles of Association set out under the heading "Annual fixed and variable compensation and respective importance" on page 37.

As such, in accordance with these principles, it was decided to modify the compensation of the Executive Chairmen in 2020 on the one hand by strictly applying the variation observed between 2018 and 2019 on the two objective quantifiable criteria that have served as a reference for the compensation of the Executive Chairmen for many years and, on the other hand, by evaluating the achievement of the CSR criterion.

These amounts were submitted to the Supervisory Board for approval at its meeting of 25 February 2020.

#### Fixed compensation in 2020 ("additional" compensation)

The fixed compensation for 2020 was calculated by applying the change in the Company's consolidated revenue at constant rate for 2019

compared with 2018, i.e. a variation of +12.4%, to the fixed compensation for 2019.

#### Variable compensation for 2019 ("statutory")

The CAG-CSR Committee assessed the level of achievement of the CSR criterion applicable to 10% of the variable compensation of the Executive Chairmen at its meeting of 24 February 2020 and noted that the three indicators making up the criterion were fully achieved (see table below).

Consequently, the variable compensation for the financial year 2019 has been calculated by applying the change in the company's consolidated net income before tax for 2019 compared with 2018, i.e. an increase of 9.9%, to the variable compensation paid in 2019 for 2018.

In accordance with Article L. 226-8-2, II of the French Commercial Code (*Code de commerce*), the payment of this variable compensation is subject to the approval by the Combined General Meeting of 24 April 2020 of the 8<sup>th</sup> resolution as concerns Mr Axel Dumas and the 9<sup>th</sup> resolution as concerns Émile Hermès SARL.

CSR criteria Indicators	Importance	Level of achievement and motivation
<b>Quantifiable environmental criterion:</b> decoupling between activity growth at constant scope and exchange rates and the evolution of industrial energy consumption	1/3	100% Gas and electricity consumption fell between 2018 and 2019, on a 12.4% increase in revenue at constant exchange rates over the same period (no scope effect was taken into account in this calculation).
<b>Qualitative societal criterion:</b> actions implemented in favour of the territorial anchoring of the Group in France and throughout the world, excluding major cities	1/3	100% The Group continued to pursue its ambitious strategy of putting down roots in local communities in 2019, both in France and internationally. Quantifiable environmental criterion. New sites outside major cities factor in the social, societal and environmental aspects of each locality. The Group has a very strong desire to revive these areas by creating both direct and indirect jobs, by forging long-term partnerships with all local actors and stakeholders in order to give life to practical and sustainable municipal and/or regional projects. Construction projects for new sites include a strong environmental ambition.
<b>Qualitative social criterion:</b> Group initiatives in favour of gender balance	1/3	100% Constant attention is paid to the working conditions, pay and career development of all the Group's employees. The aim is to apply a Group policy in favour of gender equality that promotes gender balance and inclusion in employment, training, management and pay through practical and ambitious measures.

#### Compensation paid to the Chairman of the Supervisory Board during or awarded in respect of 2019

All the fixed, variable and exceptional components comprising the total compensation and benefits in kind paid during or awarded in respect of 2019 to the Chairman of the Supervisory Board, on which the shareholders are asked to give a binding *ex-post* vote, are set out in the explanatory memorandum of the 10<sup>th</sup> resolution to be put to the General Meeting of 24 April 2020 (page 67).

These components are consistent with the compensation policy for the Chairman of the Supervisory Board presented above.

In accordance with the new framework for Senior Executive compensation created by Order 2019-1234 of 27 November 2019, which comes into force for your company as of the Combined General Meeting of 24 April 2020, these components of compensation will be submitted for shareholder approval for the first time at the said meeting, and have therefore never previously been the subject of a compensation policy subject to an *ex-ante* vote by the shareholders.

## Ratios and annual change in compensation, the performance of the Company, the average compensation of employees and ratios (Article L. 225-37.3 – 6 and 7 of the French Commercial Code (*Code de commerce*))

We present below:

- the changes over the last five years in the ratios between the level of compensation of each Executive Chairman and the Chairman of the Supervisory Board and:
  - the average pay on a full-time equivalent basis of the Company's employees other than Corporate Officers on the one hand,
  - the median pay of the Company's employees other than Corporate Officers on a full-time equivalent basis on the other hand;
- the annual change in the compensation of the Executive Chairmen and Chairman of the Supervisory Board, the performance of the Company, the average compensation on a full-time equivalent basis of Company employees other than Senior Executives, and ratios, over the past five years.

The methodology used, in accordance with the guidelines developed by Afep, is as follows:

- the notion of full-time equivalent (FTE) reflects a job performed on a full-time basis, i.e. as per legal working hours. As such, for part-time employees, compensation has been reconstituted on a full-time basis;
- based on the INSEE definition, the median wage is that which splits the Company's employees into two equal parts, such that half of the employees of the company in question earn less and the other half earn more. It differs from the average wage, which is the average of all wages in the company in question;
- the numerator shows the gross compensation (excluding social security contributions) and benefits of all kinds paid to each Executive Chairman during the financial year, i.e.:
  - the fixed ("additional") compensation paid during the year under review,
  - the ("statutory") variable compensation paid during the year under review in respect of the prior year,

- the exceptional compensation paid, if any, during the year under review,
- other long-term compensation instruments and multi-year variable compensation paid, where applicable, during the year under review (taken at their IFRS value),
- benefits in kind (valued).
- the denominator shows the gross compensation (excluding social security contributions) of employees (continuously present in the year under review between 1 January and 31 December) of Hermès International paid during the year, i.e.:
  - the fixed compensation paid during the year under review,
  - the variable compensation paid during the year under review in respect of the prior year,
  - the exceptional compensation paid, if any, during the year under review,
  - other long-term compensation instruments, in particular grants of free shares, when the rights were allocated or were vesting during the current financial year; measured at their IFRS value, less an annual amount depending on the length of the vesting period(s),
  - employee savings: profit-sharing and incentive schemes,
  - benefits in kind (valued);
- the following are excluded from the numerator and denominator:
  - severance payments and non-compete payments, which do not constitute recurring compensation,
  - defined-contribution supplementary pension plan (Article 83 of the French General Tax Code (*Code général des impôts*)), which is a post-employment benefit,
  - the defined-benefit supplementary pension plan (Article 39 of the French General Tax Code (*Code général des impôts*)), which cannot be valued insofar as payment is conditional on the completion of the beneficiary's career in the Company.

With regard to the Company's performance, it was decided to use the consolidated revenue (at constant rates) and the consolidated income before tax, which serve as a reference for the compensation of the Executive Chairmen and which are performance criteria that are particularly relevant to the Group's business model.

## Ratios and annual change in compensation, the performance of the company, the average compensation of employees and ratios

MR AXEL DUMAS	2019	2018	2017	2016	2015
Change in compensation compared with the previous financial year	10.0%	11.5%	8.6%	12.7%	8.0%
Ratio with average compensation	18	18	16	16	16
Change compared with the previous financial year	0 point	+2 points	0 point	0 point	+1 point
Ratio with median compensation	38	35	32	31	28
Change compared with the previous financial year	+3 points	+3 points	+1 point	+3 points	+2 points

ÉMILE HERMÈS SARL	2019	2018	2017	2016	2015
Change in compensation compared with the previous financial year	10.0%	0.0%	0.0%	(71.8)%	9.0%
Ratio with average compensation	7	7	7	8	32
Change compared with the previous financial year	0 point	0 point	(1) point	(24) points	+2 points
Ratio with median compensation	15	14	14	15	55
Change compared with the previous financial year	+1 point	0 point	(1) point	(40) points	+4 points

MR ÉRIC DE SEYNES	2019	2018	2017	2016	2015
Change in compensation compared with the previous financial year	0.0%	0.0%	40.0%	0.0%	0.0%
Ratio with average compensation	1	1	1	1	1
<i>Change compared with the previous financial year</i>	<i>0 point</i>	<i>0 point</i>	<i>0 point</i>	<i>0 point</i>	<i>0 point</i>
Ratio with median compensation	2	2	2	1	1
<i>Change compared with the previous financial year</i>	<i>0 point</i>	<i>0 point</i>	<i>+1 point</i>	<i>0 point</i>	<i>0 point</i>

COMPANY EMPLOYEES	2019	2018	2017	2016	2015
Change in the average compensation compared with the previous financial year	10.4%	1.1%	8.3%	13.9%	1.6%

GROUP PERFORMANCE	2019	2018	2017	2016	2015
Change in consolidated revenue at constant rates	12.4%	10.4%	8.6%	7.4%	8.1%
Change in consolidated net income before tax	9.9%	9.7%	14.2%	9.7%	17.6%

### Explanatory notes on the Executive Chairmen

For the reasons set out on page 156 of the 2017 registration document, the compensation for Executive Chairmen was revised in 2017.

### Explanatory notes relating to the Chairman of the Supervisory Board

For the reasons mentioned on page 156 of the 2017 registration document, the fixed compensation of the Chairman of the Supervisory Board was reassessed in 2017.

### Explanatory notes on the employees

The changes for the five financial years presented in the above tables take into account the overall change in the total payroll, and for some financial years, notably 2015 and 2018, changes in scope.

The overall policy, and all of the components of the compensation awarded to employees of the listed company, and those of other Group entities in France and abroad, are presented and set out on pages 88 *et seq.*, section 2.2 “People-Teams” of the 2019 Universal Registration Document.

### COMPENSATION OF THE SUPERVISORY BOARD, AUDIT AND RISK COMMITTEE AND CAG-CSR COMMITTEE ALLOCATED IN 2020 FOR 2019

Table 3 on pages 49 and 50 details compensation awarded to and received by members of the Supervisory Board in the last two financial years by Hermès International and the entities it controls as defined by Article L. 233-16 of the French Commercial Code (*Code de commerce*).

### ALLOCATION OF FREE SHARES AND STOCK OPTIONS

#### General free share and stock option allocation policies

Allocations of stock options and free allocations of shares form part of the Hermès Group's long-term compensation and loyalty policy. Such allocations have historically been made on a multiyear basis (see comments below on the plans in force); they are exceptional and their benefits have always extended beyond the Corporate Officers and Senior Executives of the Group.

Additional information on free share awards carried out by the Hermès Group and on the general long-term compensation policy and other initiatives involving employees in the Group's performance are described on pages 88 *et seq.*, section 2.2 “People-Teams” of the 2019 Universal Registration Document.

#### Free share allocation plans in effect

In accordance with Article L. 225-197-4 of the French Commercial Code (*Code de commerce*), we hereby report to you on free shares granted in 2019.

Executive Management was authorised by the Extraordinary General Meeting of 31 May 2016 to award free shares, on one or more occasions, to some or all employees and/or Senior Executives of the Company or of affiliated companies, by granting existing shares in the Company for no consideration. The conditions of delegations of authority still in force are shown on pages 14 and 15.

The total number of free shares awarded under each of these delegations and the total number of stock options granted and not yet exercised are limited to 2% of the number of shares in the Company on the day of allocation, without taking into account those already granted under previous delegations.

Using this authorisation, the Executive Management awarded shares under general and selective plans in 2019, it being specified that Mr Axel Dumas, sole natural person serving as Executive Chairman, was not awarded any free shares under either of these plans.

In table No. 9.1 on page 52, you will find details of free share allocation plan conditions (and, in particular, vesting periods, holding periods and



the application of performance conditions, where applicable) and, in table No. 9.2 on 53, details of the free shares granted to the top ten employee beneficiaries who are not Corporate Officers.

In accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code (*Code de commerce*), these allocations are always contingent on presence conditions and, for certain plans, also on performance conditions. With the aim of building long-term loyalty, the 2007, 2010 and 2012 plans were associated with a vesting period of four years for participants residing in France and six years for participants abroad, and a mandatory lock-up period of the shares thus acquired of two years for participants resident in France. To harmonise the vesting conditions, the free shares allocated by Executive Management in 2016 and 2019 were subject to identical vesting periods for Group employees in France and internationally. In line with its long-term strategy, the Executive Management has set the vesting periods for these awards at four and five years respectively. However, as permitted by applicable law (Articles L. 225-197-1 *et seq.* of the French Commercial Code (*Code de commerce*)) and in accordance with the 15<sup>th</sup> resolution of the Combined General Meeting of 31 May 2016 (see page 293 of the 2016 registration document), no lock-up period was established, leaving each beneficiary employee free to decide how long to hold the shares acquired.

Bonus share allocations do not dilute the share capital because they consist exclusively of existing shares in the Company. Their value at the allocation date, calculated according to the method used for the consolidated financial statements, is shown in the notes to the consolidated financial statements (Note 33, pages 340 and 341 of the 2019 Universal Registration Document).

### Stock purchase options

The Executive Management was authorised by the Extraordinary General Meeting to grant stock options to certain employees and Corporate Officers of the Company and of affiliated companies. These delegations of authority were not used in 2019. As shown in the table on page 51, no stock option plans existed at 31 December 2019.

### Stock subscription options

All subscription option plans lapsed in 2009. No authorisation from the General Meeting allows the Executive Management to grant subscription options.

## TABLES REQUIRED BY THE AFEP-MEDEF CODE FOR THE PRESENTATION OF CERTAIN COMPONENTS OF COMPENSATION

You will find below the standardised presentation of all components of compensation provided for by annex 4 of the Afep-Medef Code (updated in January 2020). The variable compensation of the Executive Chairmen awarded in respect of 2019 must, from 2020, be submitted to the approval of the General Meeting before its payment. Consequently,

Table 1 shows the amounts paid during the year and Table 2 shows the amounts paid during the year and awarded in respect of the year.

TABLE 1

Table summarising compensation paid and options and shares allocated to each Executive Chairman during the year

	2019	2018
<b>Mr Axel Dumas</b>	From 1 January to 31 December 2019	From 1 January to 31 December 2018
Compensation paid during the financial year (detailed in Table 2)	€3,403,423	€3,092,816
Valuation of options granted during the financial year (detailed in Table 4)	n/a	n/a
Value of performance-based shares granted during the financial year (detailed in table 6)	n/a	n/a
Valuation of other long-term compensation plans	n/a	n/a
<b>TOTAL</b>	<b>€3,403,423</b>	<b>€3,092,816</b>
<b>Total natural person as Executive Chairmen</b>	<b>€3,403,423</b>	<b>€3,092,816</b>
<b>Émile Hermès SARL</b>	From 01/01/2019 to 31/12/2019	From 01/01/2018 to 31/12/2018
Compensation paid during the financial year (detailed in Table 2)	€1,381,933	€1,256,409
Valuation of options granted during the financial year (detailed in Table 4)	n/a	n/a
Value of performance-based shares granted during the financial year (detailed in table 6)	n/a	n/a
Valuation of other long-term compensation plans	n/a	n/a
<b>TOTAL</b>	<b>€1,381,933</b>	<b>€1,256,409</b>
<b>Total legal entity as Executive Chairmen</b>	<b>€1,381,933</b>	<b>€1,256,409</b>

n/a: not applicable.



TABLE 2

Table summarising the compensation of each Executive Chairman <sup>1</sup>

	2020	2019	2018
<b>Gross annual compensation of Executive Chairmen</b>	<b>Amounts</b>	<b>Amounts</b>	<b>Amounts paid</b>
<b>Mr Axel Dumas</b>			
Fixed compensation paid during the financial year (referred to as "additional" in the Articles of Association)	€1,824,677	€1,623,378	€1,470,773
Variable compensation (referred to as "statutory" in the Articles of Association) awarded in respect of the previous financial year	€1,956,269 <sup>(2)</sup> of which (10%) in respect of achievement of the CSR criterion	€1,780,045	€1,622,043
Exceptional compensation	-	-	-
<b>Total compensation</b>	<b>€3,780,946</b>	<b>€3,403,423</b>	<b>€3,092,816</b>
Compensation of Board members	n/a	n/a	n/a
Benefits in kind	Representation	Representation	Representation
<b>Émile Hermès SARL</b>			
Fixed compensation paid during the financial year (referred to as "additional" in the Articles of Association)	€620,279	€551,850	€500,000
Variable compensation (referred to as "statutory" in the Articles of Association) awarded in respect of the previous financial year	€912,261 <sup>(3)</sup> of which (10%) in respect of achievement of the CSR criterion	€830,083	€756,409
Exceptional compensation	-	-	-
<b>Total compensation</b>	<b>€1,532,540</b>	<b>€1,381,933</b>	<b>€1,256,409</b>
Directors' fees	n/a	n/a	n/a
Benefits in kind	n/a	n/a	n/a

n/a: not applicable.

(1) A detailed presentation of the principles and the amount (or valuation) of the elements of the compensation of each Executive Chairman is shown in the description of the resolutions on pages 60 to 66.

(2) Amounts awarded in 2020, the payment of which is subject to the approval of shareholders (8<sup>th</sup> resolution) at the General Meeting of 24 April 2020. Other compensation and benefits paid in 2020 will be set out in the 2020 Universal registration document published in 2021.(3) Amounts awarded in 2020, the payment of which is subject to the approval of shareholders (9<sup>th</sup> resolution) at the General Meeting of 24 April 2020. Other compensation and benefits paid in 2020 will be set out in the 2020 Universal Registration Document published in 2021.

TABLE 3

Table of compensation received by Supervisory Board members

	Amounts awarded in respect of 2019 and paid in 2020	Amounts awarded in respect of 2018 and paid in 2019
Total amount of compensation allocated by the General Meeting of Hermès International	€600,000	€600,000
Total amount of directors' fees and compensation actually assigned by Hermès International	€574,868	€575,230
<b>Mr Éric de Seynes</b>		
Compensation of the Chairman of the Supervisory Board	€140,000	€140,000
Compensation as member of the Hermès Sellier Management Board	€3,000 <sup>1</sup>	€3,000
<b>Ms Monique Cohen</b>		
Compensation as member of the Supervisory Board	€28,200	€25,925
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€18,200	€15,925
Compensation of the Chairwoman of the Audit and Risk Committee	€28,000	€28,000
<b>Ms Dominique Senequier</b>		
Compensation as member of the Supervisory Board	€25,925	€23,650
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€15,925	€13,650
Compensation of the Chairwoman of the CAG-CSR Committee	€28,000	€28,000
<b>Mr Frédéric Afriat (Employee representative)</b>		
Compensation as member of the Supervisory Board	n/a	n/a
<b>Ms Dorothée Altmayer</b>		
Compensation as member of the Supervisory Board	€28,200	€28,200
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€18,200	€18,200
Compensation as Director of Comptoir Nouveau de la Parfumerie	€2,250 <sup>1</sup>	€3,000
<b>Mr Charles-Éric Bauer</b>		
Compensation as member of the Supervisory Board	€28,200	€23,650
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€18,200	€13,650
Compensation of the Audit and Risk Committee members	€13,000	€11,700
♦ fixed component	€5,200	€5,200
♦ variable component based on attendance	€7,800	€6,500
<b>Ms Estelle Brachlianoff</b>		
Compensation as member of the Supervisory Board (appointed 04/06/2019)	€16,375	n/a
♦ fixed component	€5,000	-
♦ variable component based on attendance	€11,375	-
Compensation as member of the Audit and Risk Committee (appointed 04/06/2019)	€5,200	n/a
♦ fixed component	€2,600	-
♦ variable component based on attendance	€2,600	-
Compensation as member of the CAG-CSR Committee (appointed 04/06/2019)	€5,943	n/a
♦ fixed component	€2,600	-
♦ variable component based on attendance	€3,343	-
<b>Ms Pureza Cardoso (Employee representative)</b>		
Compensation as member of the Supervisory Board	n/a	n/a
<b>Mr Matthieu Dumas</b>		
Compensation as member of the Supervisory Board	€28,200	€28,200
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€18,200	€18,200
Compensation of members of the CAG-CSR Committee	€13,000	€13,000
♦ fixed component	€5,200	€5,200
♦ variable component based on attendance	€7,800	€7,800
Compensation as Director of Comptoir Nouveau de la Parfumerie	€2,250 <sup>1</sup>	€3,000
<b>Mr Blaise Guerrand</b>		
Compensation as member of the Supervisory Board	€28,200	€28,200

	Amounts awarded in respect of 2019 and paid in 2020	Amounts awarded in respect of 2018 and paid in 2019
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€18,200	€18,200
Compensation as member of the Hermès Sellier Management Board	€3,000 <sup>1</sup>	€3,000
<b>Ms Julie Guerrand</b>		
Compensation as member of the Supervisory Board	€28,200	€28,200
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€18,200	€18,200
<b>Ms Olympia Guerrand</b>		
Compensation as member of the Supervisory Board	€23,650	€28,200
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€13,650	€18,200
Compensation as member of the Hermès Sellier Management Board	€3,000 <sup>1</sup>	€3,000
<b>Mr Rémy Kroll (Employee representative)</b>		
Compensation as member of the Supervisory Board	n/a	n/a
<b>Ms Sharon MacBeath</b>		
Compensation as member of the Supervisory Board (until 20/03/2019)	€9,550	€28,200
♦ fixed component	€5,000	€10,000
♦ variable component based on attendance	€4,550	€18,200
Compensation as member of the Audit and Risk Committee (until 20/03/ 2019)	€6,500	€13,000
♦ fixed component	€2,600	€5,200
♦ variable component based on attendance	€3,900	€7,800
Compensation as member of the CAG-CSR Committee (until 20/03/2019)	€5,943	€13,000
♦ fixed component	€2,600	€5,200
♦ variable component based on attendance	€3,343	€7,800
<b>Mr Renaud Momméja</b>		
Compensation as member of the Supervisory Board	€28,200	€28,200
♦ fixed component	€10,000	€10,000
♦ variable component based on attendance	€18,200	€18,200
Compensation of the Audit and Risk Committee members	€11,700	€11,700
♦ fixed component	€5,200	€5,200
♦ variable component based on attendance	€6,500	€6,500
Compensation as Director of Comptoir Nouveau de la Parfumerie	€2,250 <sup>1</sup>	€3,000
<b>Mr Robert Peugeot</b>		
Compensation as member of the Supervisory Board (until 04/06/2019)	€9,550	€25,925
♦ fixed component	€5,000	€10,000
♦ variable component based on attendance	€4,550	€15,925
Compensation as member of the Audit and Risk Committee (until 04/06/2019)	€5,200	€10,400
♦ fixed component	€2,600	€5,200
♦ variable component based on attendance	€2,600	€5,200
Compensation as member of the CAG-CSR Committee (until 04/06/2019)	€7,057	€9,880
♦ fixed component	€2,600	€5,200
♦ variable component based on attendance	€4,457	€4,680
<b>Mr Alexandre Viros</b>		
Compensation as member of the Supervisory Board (appointed 04/06/2019)	€16,375	n/a
♦ fixed component	€5,000	-
♦ variable component based on attendance	€11,375	-
Compensation as member of the Audit and Risk Committee (appointed 04/06/2019)	€6,500	n/a
♦ fixed component	€2,600	-
♦ variable component based on attendance	€3,900	-

n/a: not applicable.

(1) Subject to the decisions of the Company Boards concerned.

TABLE 4

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

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

n/a: not applicable.

TABLE 5

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

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

n/a: not applicable.

TABLE 6

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

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

n/a: not applicable.

TABLE 7

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

Name of the Executive Corporate Officer	Number and date of plan	Number of shares acquired during the financial year	Vesting conditions
Mr Axel Dumas	n/a	0	n/a
<b>Total</b>		<b>0</b>	<b>n/a</b>

TABLE 8.1 (CORRESPONDING TO TABLE 8 OF THE AFEP-MEDEF CODE)

History of allocation of stock subscription or purchase options  
Information on the stock subscription or purchase options

General Meeting of 25/05/1998 (6 <sup>th</sup> resolution) – Subscription or purchase options	Plans 1 to 4 expired
General Meeting of 03/06/2003 (15 <sup>th</sup> resolution) – Purchase options	Plans 5 and 6 expired
General Meeting of 06/06/2006 (9 <sup>th</sup> resolution) – Purchase options	Plan No. 7 expired
General Meeting of 02/06/2009 (14 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2009, 2010 or 2011
General Meeting of 30/05/2011 (21 <sup>st</sup> resolution) – Purchase options	No plan implemented in 2011 or 2012
General Meeting of 29/05/2012 (13 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2012 or 2013
General Meeting of 04/06/2013 (18 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2013 or 2014
General Meeting of 03/06/2014 (16 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2014 or 2015
General Meeting of 02/06/2015 (14 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2015 or 2016
General Meeting of 31/05/2016 (14 <sup>th</sup> resolution) – Purchase options	No plan implemented in 2016, 2017, 2018 or 2019

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

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

n/a: not applicable.

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

History of free share and performance share plans still in force on 1 January 2019

Information on performance shares

**DATE OF AUTHORISATION BY  
THE EXTRAORDINARY  
GENERAL MEETING**

	30/05/2011 (29 <sup>th</sup> resolution)	31/05/2016 (15 <sup>th</sup> resolution)	31/05/2016 (15 <sup>th</sup> resolution)	31/05/2016 (15 <sup>th</sup> resolution)	31/05/2016 (15 <sup>th</sup> resolution)	31/05/2016 (15 <sup>th</sup> resolution)
Date of the decision by the Executive Management	15/05/2012 (plan d)	31/05/2016 (plan f)	31/05/2016 (plan g.1)	01/03/2017 (plan g.2)	01/07/2019 (plan h)	01/07/2019 (plan i)
Total number of shares awarded <sup>1</sup>	515,280	452,960	353,100	1,400	310,944 <sup>2</sup>	189,600 <sup>2</sup>
Shares allocated to Senior Executives <sup>3</sup>	420	320	29,000	0	192	24,000
Number of Senior Executives <sup>3</sup> concerned	7	8	8	0	8	8
Share related to capital of allocations of shares to Senior Executives	n.m.	n.m.	0.028%	0.00%	n.m.	0.02%
French tax residents on the grant date:	3 tranches of 20 shares	2 tranches of 20 shares			2 tranches of 12 shares	
Vesting period	4/5/6 years	4/5 years	4 years	3 years and 3 months	4/5 years	4 years
Date of transfer of ownership of shares	16/05/2016 16/05/2017 16/05/2018	01/06/2020 01/06/2021	01/06/2020	01/06/2020	03/07/2023 01/07/2024	03/07/2023
End of the holding period	17/05/2018	n/a	n/a	n/a	n/a	n/a
Tax residents outside France on the grant date:	3 tranches of 20 shares	2 tranches of 20 shares			2 tranches of 12 shares	
Vesting period	6/7/8 years	4/5 years	4 years	3 years and 3 months	4/5 years	4 years
Date of transfer of ownership of shares	16/05/2018 16/05/2019 16/05/2020	01/06/2020 01/06/2021	01/06/2020	01/06/2020	03/07/2023 01/07/2024	03/07/2023
End of the holding period	n/a	n/a	n/a	n/a	n/a	n/a
Performance conditions	No	No	Yes	Yes	No	Yes
Number of shares vested <sup>4</sup> at 31/12/2019	363,740	1,040	1,400	0	0	0
Number of shares lost at 31/12/2019	114,580	69,520	14,900	0	2,304	0

n.m.: not material; n/a: not applicable.

(1) Maximum.

(2) At the end of the employee acceptance period.

(3) Are considered to be Senior Executives : Executive Chairmen, members of the Supervisory Board (except employees representatives) and members of the Executive Committee of the issuer on the grant date.

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

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

Free shares awarded to the first 10 employees (not Corporate Officers)

	Total number of shares awarded	Date of plans
Shares awarded during the year to the 10 employees of the issuer and any entity included in this scope for whom the number of shares thus granted is the highest (overall information)	27,240	01/07/2019 (plans h et i)

n/a: not applicable.

TABLE 10

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

Name of the Executive Corporate Officer	
Mr Axel Dumas	n/a
Émile Hermès SARL	n/a

n/a : not applicable.

TABLE 11

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

(1) The details of these commitments are shown on pages 38 to 40.

(2) Since 5 June 2013.

# 6 PURPOSE AND DRAFT RESOLUTIONS

## ORDINARY BUSINESS

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

#### *Purpose*

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

- ♦ the parent company financial statements for financial year 2019, which show a net profit of €1,653,070,003.69, and the expenses and charges mentioned in Article 39-4 of the French General Tax Code;
- ♦ the consolidated financial statements for financial year 2019.

In the third resolution, we ask you to grant discharge to the Executive Management for its management in respect of said financial year.

You will find:

- ♦ the consolidated financial statements on pages 297 et seq. of the 2019 Universal Registration Document;
- ♦ the parent company financial statements on pages 351 et seq. of the 2019 Universal Registration Document;
- ♦ the Statutory Auditors' reports on the parent company and consolidated financial statements on pages 369 and 344 of the 2019 Universal Registration Document.

#### *First resolution:*

##### **Approval of the parent company financial statements**

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the executive management report on 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 2019, approves 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 €1,653,070,003.69, 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 General 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 ended 31 December 2019 to €274,168.00, which generated an estimated tax expense of €91,389.00.

#### *Second resolution:*

##### **Approval of the consolidated financial statements**

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the executive management report on the activity and situation of the Group, the Supervisory Board's report and the Statutory Auditors' report for the financial year ended 31 December 2019, approves 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 €1,535.3 million, as well as the transactions reflected in these financial statements or described in these reports.

#### *Third resolution:*

##### **Executive Management discharge**

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, grants discharge to the Executive Management for its management in respect of the financial year beginning January 2019 and ended 31 December 2019.



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

### Purpose

In the fourth resolution, we submit for your approval the allocation of net income for the period, in the amount of €1,653,070,003.69. Of this amount, the sum of €212,844.00 is to be allocated to the reserve for purchasing original works of art and, pursuant to the Articles of Association, €11,075,569.02 is to be distributed to the Active Partner.

We invite you to allocate €500,000,000.00 to other reserves. The Supervisory Board proposes that you set the ordinary dividend at €5.00 per share. This represents an increase of 9.89% in the ordinary dividend compared with the previous year.

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

The latter will consist in the application of tax on the income paid as an interim payment (so-called flat-rate withholding tax) withheld at source at a single flat rate of 12.8% of gross revenue, to which will be added social security withholdings of 17.2%.

This flat-rate taxation at the single rate of 12.8% will be automatically applicable unless the progressive tax scale is opted for overall, allowing the taxpayer to benefit from the 40% tax allowance <sup>1</sup>.

For shareholders who are not fiscally domiciled in France, the dividend distributed is subject to withholding tax at source at one of the rates specified in Article 187 of the French General Tax Code (*Code général des impôts*), in accordance with Article 119 bis of said Code, which may be reduced in application of any tax agreement concluded between France and the State in which the beneficiary is fiscally resident.

As an interim dividend of €1.50 per share was paid on 5 March 2020, the balance of the ordinary dividend, i.e. €3.50 per share, will be detached from the share on 28 April 2020 and payable in cash on 30 April 2020 on the positions approved in the evening of 29 April 2020. As Hermès International is not entitled to receive dividends for shares held in treasury, the corresponding sums will be transferred to “Retained earnings” on the date the dividend becomes payable.

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

In euros	Financial year		
	2018	2017	2016
“Ordinary” dividend	4.55	4.10	3.75
“Exceptional” dividend	-	5.00	-

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 16.

1. Within the scope of the single flat-rate withholding tax, taxpayers may opt, expressly and irrevocably before the deadline for the declaration and overall for all their income defined in Article 200 A 1 of the French General Tax Code (*Code général des impôts*), for their income to be taxed using the progressive income tax scale, in accordance with Article 200 A-2 of the French General Tax Code (*Code général des impôts*).

### Fourth resolution:

#### Allocation of net income – Distribution of an ordinary dividend.

The General Meeting, acting under the quorum and majority requirements applicable to Ordinary General Meetings, noting that the profit for the year amounts to €1,653,070,003.69 and that the previous retained earnings amount to €1,426,416,865.23, and after noting that the legal reserve is fully funded, approves the allocation of these amounts, representing a distributable profit in the amount of €3,079,486,868.92, as proposed by the Supervisory Board, namely:

- ♦ to the reserve for purchasing original works of art, in the amount of €212,844.00;

- ♦ to the Active Partner, pursuant to Article 26 of the Articles of Association, in the amount of €11,075,569;
- ♦ an “ordinary” dividend to the shareholders of €5 per share, i.e.: €527,847,060.00 <sup>1</sup>;
- ♦ to other reserves in the amount of €500,000,000.00;
- ♦ the balance to the “Retained earnings” account, i.e. €2,040,351,395.90;
- ♦ **altogether €3,079,486,868.92.**

The Ordinary General Meeting resolves that the balance of the ordinary dividend for the period (an interim dividend of €1.50 per share was paid on 5 March 2020), i.e. €3.50 per share, will be detached from the share on 28 April 2020 and payable in cash on 30 April 2020 on the positions approved in the evening of 29 April 2020.

1. The total amount of the distribution referred to above is calculated on the basis of the number of shares comprising the capital as of 31 December 2019, i.e. 105,569,412 shares, and may vary if the number of shares granting rights to a dividend changes between 1 January 2020 and the ex-dividend date, depending in particular on 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*).

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 single flat-rate withholding tax at the overall rate of 30%.

The latter will consist in the application of tax on the income paid as an interim payment (so-called flat-rate withholding tax) withheld at source at a single flat rate of 12.8% of gross revenue, to which will be added social security withholdings of 17.2%.

In accordance with the provisions of Article 43 bis of the French General Tax Code (*Code général des impôts*), the General Meeting duly notes that dividends distributed to shareholders in respect of the three previous financial years were as follows:

In euros	Financial year		
	2018	2017	2016
“Ordinary” dividend	4.55	4.10	3.75
“Exceptional” dividend	-	5.00	-

This flat-rate taxation at the single rate of 12.8% will be automatically applicable unless the progressive tax scale is opted for overall, allowing the taxpayer to benefit from the 40% tax allowance <sup>1</sup>.

For shareholders who are not fiscally domiciled in France, the dividend distributed is subject to withholding tax at source at one of the rates specified in Article 187 of the French General Tax Code (*Code général des impôts*), in accordance with Article 119 bis of said Code, which may be reduced in application of any tax agreement concluded between France and the State in which the beneficiary is fiscally resident.

1. Within the scope of the single flat-rate withholding tax, taxpayers may opt, expressly and irrevocably before the deadline for the declaration and overall for all their income defined in Article 200 A 1 of the French General Tax Code (*Code général des impôts*), for their income to be taxed using the progressive income tax scale, in accordance with Article 200 A-2 of the French General Tax Code (*Code général des impôts*).

## FIFTH RESOLUTION: APPROVAL OF RELATED-PARTY AGREEMENTS

### *Purpose*

Pursuant to the fifth resolution, in the absence of related-party agreements entered into during the 2019 financial year, you are asked to note that there are no agreements to approve.

### **Agreements authorised in prior years**

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

This report is shown on pages 82 and 83.

You are reminded that the allowances or benefits due or likely to be due as a result of a change or cessation of office by an Executive Officer, or subsequent to them, and the defined-benefit pension plan commitments of the dissociated Chairman and Executive Officers are no longer subject to the enhanced related-party agreements scheme (Article L. 225-42-1 of the French Commercial Code (*Code de commerce*), having been repealed by order no. 2019-1234 of 27 November 2019).

### *Fifth resolution:*

#### **Approval of the related-party agreements**

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 pertaining to the combined provisions of Articles L. 226-10 and L. 225-38 to L. 225-43 of

the French Commercial Code (*Code de commerce*), approves said report in all its provisions, as well as the agreements and transactions referred to therein.

**SIXTH RESOLUTION: AUTHORISATION GRANTED TO THE EXECUTIVE MANAGEMENT TO TRADE IN THE COMPANY'S SHARES***Purpose*

In 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 in order 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 the MAR: capital decrease, hedging of debt securities exchangeable for shares and coverage of employee shareholding plans;
- ♦ objectives provided for in Article 13 of the 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 securities representing holdings of up to 10% of the share capital would be authorised, *i.e.* for indicative purposes as of 31 December 2019: 10,556,941 shares;
- ♦ the maximum purchase price (excluding costs) would be set at €850 per share;
- ♦ the maximum amount of funds to be committed would be set at €2,000 million. It is specified that treasury shares held on the day of the General Meeting are not taken into account in this maximum amount;
- ♦ pursuant to the law, the total number of shares held at any given date may not exceed 10% of the share capital as of that date.

*Duration of the authorisation*

This authorisation would be valid for a period of 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 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 comprising the Company's share capital, at any time; this percentage shall apply to share capital adjusted in accordance with transactions that may 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 ensure 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 this way in order notably to increase the return on equity and earnings per share, and/or to neutralise the dilutive impact for shareholders of capital increases, wherein such purpose is contingent upon adoption of a special resolution by the Extraordinary General Meeting,
    - reallocating them upon the exercise of rights attached to debt securities giving entitlement by conversion, exercise, redemption, exchange, presentation of a warrant or in any other way, to 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 free 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 the 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 share through an investment service provider acting independently under a liquidity contract in accordance with an ethical charter recognised by the Financial Markets Authority (AMF), and in compliance with the provisions of the AMF Decision No. 2018-01 of 2 July 2018.
- ♦ other objectives:
  - retaining the shares, in order subsequently to transfer the shares in payment, exchange or as other consideration for acquisitions 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,
  - reallocating them upon the exercise of rights attached to equity securities giving entitlement by conversion, exercise, redemption, exchange, presentation of a warrant or in any other way, to the allocation of Company shares; and more generally,
  - allocating them to the completion of any transactions in accordance with the applicable regulations.

This programme is also intended to enable the Company to operate for any other purpose that may be authorised, or come to be authorised, by law or regulations in force, including in particular any other market practice that may come to 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 for allocation under share purchase plans for the Company's employees or Corporate Officers, the purchase price per share shall be no higher than eight hundred and fifty euros (€850), excluding costs;

- 4) resolves, that the Executive Management may nevertheless adjust the aforementioned purchase price in the event of a change in the par value of the share, a capital increase by capitalisation of reserves, a free share distribution, a stock split or reverse split, a write-off or reduction in the share capital, a distribution of reserves or other assets, or any other equity transactions, to take into account the effect of such transactions on the value of the share;
- 5) resolves that the maximum amount of funds that may be committed to this share purchase programme cannot exceed two billion euros (€2,000 million);
- 6) resolves that the shares may be purchased by any means, including in full or in part by transactions on regulated markets, multilateral trading systems, using 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 or the use of options or derivatives (in accordance with legal and regulatory requirements applicable at the time), excluding the sale of put options, and at the times that the Executive Management deems appropriate, including during a public offering on the Company's securities, in accordance with stock market regulations, either directly or indirectly via an investment service provider. The shares acquired pursuant to this authorisation may be retained, sold, or transferred by any means, including by block sales, and at any time, including during public offerings;
- 7) grants all powers to the Executive Management to implement this delegation, and in particular:
  - ♦ to decide and carry out the transactions provided for 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-allocate 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 body;
  - ♦ to undertake all formalities; and
  - ♦ to generally carry out all necessary measures;
- 8) resolves that this authorisation is granted for a period of 18 months from this meeting.

This authorisation cancels and replaces, for the remaining term and the unused portion, the authorisation granted by the Combined General Meeting of 4 June 2019 in its sixth resolution ("authorisation of Company buyback of treasury shares").

**SEVENTH, EIGHTH, NINTH AND TENTH RESOLUTIONS: APPROVAL OF TOTAL COMPENSATION AND BENEFITS OF ALL KINDS PAID DURING OR AWARDED IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 TO THE CORPORATE OFFICERS (GLOBAL EX-POST VOTE), THE EXECUTIVE CHAIRMEN AND THE CHAIRMAN OF THE SUPERVISORY BOARD (INDIVIDUAL EX-POST VOTES)**

*Purpose*

The new framework applicable to *sociétés en commandite par actions* (partnerships limited by shares) governing Senior Executive compensation, introduced by Order No. 2019-1234 of 27 November 2019, is set out in detail pages 33 et seq.

This mechanism provides for the Shareholders' General Meeting to vote each year on the total compensation and benefits of any kind paid during or awarded in respect of the financial year ended to the Corporate Officers (global ex-post vote), Executive Chairmen and Chairman of the Supervisory Board (individual ex-post votes).

However, from 2020, this variable compensation for the Executive Chairmen must be submitted to the approval of the General Meeting before its payment. Consequently, reference is made in the following tables to the amounts paid during the 2019 financial year (awarded in respect of the 2018 financial year) but also to the amounts awarded in 2020 in respect of financial year 2019.

Through the seventh to tenth resolutions, we request that you approve the total compensation and benefits of any kind paid to Corporate Officers during or awarded in respect of the financial year ended 31 December 2019 (*ex-post* votes).

These items are set out in the tables below, as follows:

Resolutions	Corporate Officers concerned
<b>Global ex-post vote</b>	
7 <sup>th</sup> (compensation and benefits paid to all Corporate Officers)	Executive Chairmen, Chairman and members of the Supervisory Board,
<b>Individual ex-post votes</b>	
8 <sup>th</sup> (compensation and benefits paid to Mr Axel Dumas)	Executive Chairman
9 <sup>th</sup> (compensation and benefits paid to Émile Hermès SARL)	Executive Chairman
10 <sup>th</sup> (compensation and benefits paid to Mr Éric de Seynes)	Chairman of the Supervisory Board

## EXECUTIVE CHAIRMEN

Elements of compensation submitted to the vote	Amount paid during the financial year 2019 or accounting valuation in euros	Presentation
<b>7<sup>th</sup> and 8<sup>th</sup> resolutions (global and individual ex-post votes): Mr Axel Dumas</b>		
		<p>In accordance with the new framework governing compensation of senior executives created by Order No. 2019-1234 of 27 November 2019, which comes into force for your Company as of the Combined General Meeting of 24 April 2020, these elements of compensation are subject to approval by the shareholders for the first time at said meeting, and as such have never been part of a compensation policy that is subject to an ex-ante vote by the shareholders.</p> <p>To the extent that the Executive Chairmen receive neither multi-year variable compensation nor deferred variable compensation, only the following elements are subject to a vote:</p> <ul style="list-style-type: none"> <li>♦ fixed compensation paid during the financial year 2019;</li> <li>♦ variable compensation awarded in respect of the financial year 2018 paid during the financial year 2019;</li> <li>♦ variable compensation awarded in respect of the financial year 2019 whose payment in 2020 is contingent on approval by shareholders;</li> <li>♦ benefits of any kind.</li> </ul> <p>All the compensation components set out below comply with the compensation policy for Executive Chairmen (see pages 33 to 40).</p>
Gross annual fixed compensation 2019 (or “additional” compensation in accordance with the Articles of Association)	€1,623,378	<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 at the time of €457,347.05. This ceiling is indexed each year, in an upward direction only. Since 1 January 2002, this indexation is calculated according to the increase in the Company’s consolidated revenue for the previous financial year, at constant exchange rates and scope of consolidation, by comparison with revenue for the next to last financial year (€2,610,994 for 2019). 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, which is subject to the deliberation of the Supervisory Board.</p> <p>The fixed compensation of Mr Axel Dumas paid in 2019 was determined by the Executive Management Board on 19 March 2019.</p>
Annual gross variable compensation paid in 2019 in respect of 2018 (referred to as “statutory” compensation in accordance with the Articles of Association)	€1,780,045 (CSR criterion not applicable)	<p>The gross annual statutory compensation of each Executive Chairman for a given financial year, shall not be more than 0.20% of the Company’s consolidated income before tax (€4,159,330 for 2019) for the previous financial year.</p> <p>Within the maximum amounts set forth herein, the Executive Management Board of the Active Partner, Émile Hermès SARL, shall determine the effective amount of the annual statutory compensation of each Executive Chairman. Thus, no minimum statutory compensation is guaranteed for the Executive Chairmen.</p> <p>The gross annual variable compensation of Mr Axel Dumas allocated and paid in 2019 was determined by the Executive Management Board on 19 March 2019.</p>
Deferred variable compensation	n/a	The principle of the allocation of deferred variable compensation is not provided for.
Multi-year variable compensation	n/a	No multi-year compensation arrangement was implemented in 2019.
Exceptional compensation	n/a	The principle of such compensation is not provided for.
Share options, performance-based shares or any other element of long-term compensation (IFRS valuation at the allocation date)	Stock options: n/a Performance-based shares: n/a Other elements: n/a	No stock option or performance-based share plans benefiting the Executive Chairmen were implemented during or in respect of the 2019 financial year.
Compensation for assumption of duties	n/a	No such commitment exists.



Elements of compensation submitted to the vote	Amount paid during the financial year 2019 or accounting valuation in euros	Presentation
Severance payment	€0	<p>The Company has pledged to pay Mr Axel Dumas compensation in an amount equal to 24 months of total compensation (statutory compensation and additional compensation) in case of termination of his appointment as Executive Chairman (decision taken by the Supervisory Board on 4 June 2013 and approved by the General Meeting of 3 June 2014 – tenth resolution “Approval of the commitments due to Mr Axel Dumas on termination of his appointment as Executive Chairman”).</p> <p>The payment of a severance payment is subject to the termination of duties as Executive Chairman resulting:</p> <ul style="list-style-type: none"> <li>♦ either from a decision taken by Mr Axel Dumas by reason of a change of control over the Company, a change 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</li> <li>♦ from a decision taken by the Company.</li> </ul> <p>Moreover, the payment of such compensation is also subject to the following performance conditions, such 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 financial years (with revenue and operating income growth measured at constant rates), without deterioration in the Hermès brand image.</p> <p>Given the importance of the Active Partner’s role in a <i>société en commandite par actions</i> (partnerships limited by <i>shares</i>) – including the power to appoint and dismiss any Executive Chairman – and, in the case of a legal entity, its legal representative, it was decided that any termination of Mr Axel Dumas’ duties as Executive Chairman resulting from the replacement of the Executive Chairman of Émile Hermès SARL should be deemed a forced departure.</p> <p>The Supervisory Board accordingly considered that the deferred compensation undertaking made for the benefit of Mr Axel Dumas complied with the requirements of the Afep-Medef Corporate Governance Code.</p>
Non-competition payment	n/a	Mr Axel Dumas is not subject to any non-competition agreement, therefore no compensation is made in this category.
Supplementary pension plan	<p>With respect to Article 83: No payment</p> <p>With respect to Article 39: No payment</p>	<p><i>Defined-contribution pension plan (Article 83 of the French General Tax Code (Code général des impôts))</i></p> <p>Mr Axel Dumas is eligible for the supplementary defined-contribution pension plan established for all employees of the Group’s French companies that have joined it (4 June 2013 decision by the Supervisory Board approved by the General Meeting of 3 June 2014 – fifth resolution “Approval of related-party agreements and commitments”).</p> <p>As with all employees of the Group:</p> <ul style="list-style-type: none"> <li>♦ 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, and 5.5% on the reference compensation between 2x and 6x PASS. Reference compensation means the gross annual compensation in accordance with Article L. 242-1 of the French Social Security Code;</li> <li>♦ these premiums are shared between the company (90.91%) and the beneficiary (9.09%);</li> <li>♦ the employer premiums are deductible from the corporation tax base, subject to corporate social contributions at the rate of 20% and excluded from the base for social security contributions within the limit of the higher of the following two values: 5% of the PASS or 5% of the compensation retained within the limit of 5x PASS, i.e. €202,620 in 2019.</li> </ul> <p>For information, if Mr Axel Dumas had been able to liquidate his retirement entitlements on 31 December 2019, the estimated maximum gross amount of annual pension under the defined-contribution pension plan would be €6,296.</p> <p><i>Defined-benefit pension plan (Article 39 of the French General Tax Code – Article L. 137-11 of the French Social Security Code (Code de la Sécurité sociale))</i></p> <p>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”).</p> <p>This pension plan is financed by the company through a policy taken out with an external insurance firm.</p> <p>It is not limited solely to the Executive Chairmen but also encompasses a wider group of Senior Executives.</p>

Elements of compensation submitted to the vote	Amount paid during the financial year 2019 or accounting valuation in euros	Presentation
Supplementary pension plan		<p>Each participant gradually acquires potential rights, calculated each year on the basis of his or her annual reference compensation, 2019 being the last year taken into account when calculating such rights (in application of order no. 2019-697 of 3 July 2019). These potential rights represent, depending on the seniority and for each year, a percentage of the reference compensation ranging between 0.9% and 1.5%. In accordance with the regulations, as Mr Axel Dumas has seniority exceeding 16 years, this percentage is set at 1.50%. It is in any event, below the legal limit of 3%.</p> <p>The annual amount of this pension would correspond to this percentage of the average reference compensation over the last 36 months of employment, multiplied by the number of years or fractions of years, up to and including 31 December 2019.</p> <p>In application of the plan, two ceilings are applied to the final annual pension amount:</p> <ul style="list-style-type: none"> <li>♦ the annual pension amount is capped at 8 x PASS i.e. €324,192 in 2019;</li> <li>♦ the sum of (i) pensions accrued in respect of statutory and collective agreement plans (excluding increases for children raised) including rights accrued in overseas pension plans, pensions resulting from any supplementary plan that may be put in place within Groupe Hermès and (ii) the amount of the top-up pension resulting from the regulations is capped at 70% of the last reference compensation.</li> </ul> <p>Mr Axel Dumas was eligible for this plan in respect of 2019.</p> <p>Subject to satisfying the conditions of the plan at the time of liquidation of his or her pension, in particular, the beneficiary ending his or her career in the Company after at least 10 years' seniority and the liquidation of the retirement pension as per the basic Social Security pension regime, and any statutory changes that may occur, the potential pension rights calculated for Mr Axel Dumas at 31 December 2019, would be €65,979 (based on reference compensation of €2,593,536 in 2019).</p> <p>For information, the maximum amount of the future pension indicated above, limited by the plan's regulations to eight times the annual Social Security limit, compared with the compensation for the 2019 financial year of the natural person Executive Chairman would represent a replacement rate (excluding mandatory plans) of 9.53%.</p> <p>The following income tax and social security charges are currently applicable to the plan:</p> <p>with regard to social security contributions, using an irrevocable option, the Company has chosen to apply the fixed contribution set out in Article L. 137-11 of the French Social Security Code (<i>Code de la sécurité sociale</i>) concerning the premiums paid to the external insurance firm at the rate of 24%. The beneficiary must pay – as for all replacement income – CSG (social security tax) and CRDS (social security debt repayment tax), in addition to healthcare contributions and an additional solidarity contribution for autonomy (CASA) on the amount of the pension. In the specific case of pensions resulting from defined-benefit pension plans, the beneficiary of the pension must also pay a social security contribution, at a rate that varies depending on the amount of the pension and its liquidation date;</p> <p>with regard to taxation, the premiums paid to the external insurance firm may be deducted from the tax base for corporation tax.</p>
Compensation paid or awarded by a company falling within the scope of consolidation	n/a	The principle of such compensation is not provided for.
Valuation of benefits of any kind	€40	<p>Mr Axel Dumas is eligible for a representation policy constituting his only benefit in kind.</p> <p>Mr Axel Dumas benefits from the mandatory collective healthcare plan implemented by the Group for the benefit of all staff of French entities that have joined this plan (decision made by the Supervisory Board on 19 March 2014).</p>

Elements of compensation submitted to the vote	Amount paid during the financial year 2019 or accounting valuation in euros	Presentation
Death and disability plan		<p>Mr Axel Dumas is eligible for the mandatory collective death and disability plan established by the Group for the benefit of all staff (AGIRC affiliated) of French entities that have joined this plan (decision taken by the Supervisory Board on 19 March 2014).</p> <p>It provides, as is the case for all employees, the following gross lifetime benefits:</p> <ul style="list-style-type: none"> <li>◆ a disability pension at 51% of reference compensation in case of Category 1 disability and 85% of reference compensation in case of Category 2 or 3 disability. The reference compensation (gross annual compensation) is 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 the disability or permanent impairment and, at the latest, on the day of the normal or early liquidation of an old age insurance pension from a mandatory retirement plan, for any reason whatsoever;</li> <li>◆ a death benefit equal to a maximum of 380% of the reference compensation, capped at eight x PASS, depending on the family situation;</li> <li>◆ contributions paid to the insurer are split between the Company (1.54% for tranche A, and 1.64% for tranches B and C) and the beneficiary (1.06% for tranche A and 1.16% for tranches B and C);</li> <li>◆ these contributions are deductible from the corporation tax base, subject to corporate social contributions at the rate of 8%, and excluded from the base for social security contributions, within the limit of an amount equal to the sum of 6% of PASS and 1.5% of compensation retained within the limit of 12x PASS.</li> </ul>

Elements of compensation submitted to the vote	Amount awarded in 2020 in respect of 2019 in euros	Presentation
Annual gross variable compensation awarded in 2020 in respect of 2019 (or “statutory” compensation in accordance with the Articles of Association) whose payment is contingent on approval of the General Meeting of 24 April 2020	€1,956,269 of which 10% for achieving the CSR criterion	<p>The gross annual statutory compensation of each Executive Chairman for a given financial year, shall not be more than 0.20% of the Company’s consolidated income before tax (€4,571,104 for 2020) for the previous financial year.</p> <p>Within the limits defined herein, the Executive Management Board of Émile Hermès SARL, Active Partner, sets the effective amount of the annual statutory compensation payable to each Executive Chairman, which from 2020 onwards is subject to the deliberation of the Supervisory Board. Thus, no minimum statutory compensation is guaranteed for the Executive Chairmen.</p> <p>A portion of the variable compensation is submitted to a new “CSR” criterion representing the Group’s firm and ongoing commitments to sustainable development.</p> <p>This criterion is applied to 10% of the target variable compensation.</p> <p>The indicators relating to the CSR criterion relate to the following:</p> <ul style="list-style-type: none"> <li>◆ decoupling between business growth at constant scope and exchange rates and the evolution of industrial energy consumption (quantifiable environmental criterion);</li> <li>◆ actions implemented in favour of the territorial anchoring of the group in France and throughout the world, excluding major cities (qualitative societal criterion);</li> <li>◆ Group initiatives in favour of gender balance (qualitative social criterion).</li> </ul> <p>Achievement of these indices was assessed by the CAG-CSR Committee at its meeting of 9 January 2020. Further details regarding this assessment are set out page 44).</p> <p>The gross annual variable compensation of Mr Axel Dumas awarded in 2020 in respect of 2019 was determined by the Executive Management Board on 24 February 2020 and was subject to the deliberation of the Supervisory Board at its meeting of 25 February 2020.</p>

Elements of compensation submitted to the vote	Amount paid during the financial year 2019 or accounting valuation in euros	Presentation
<b>7<sup>th</sup> and 9<sup>th</sup> resolutions (global and individual ex-post votes): Émile Hermès SARL</b>		
		<p>In accordance with the new framework governing compensation of senior executives introduced by Order No. 2019-1234 of 27 November 2019, which comes into force for your Company as of the Combined General Meeting of 24 April 2020, these elements of compensation are subject to approval by the shareholders for the first time at said meeting, and as such have never been part of a compensation policy that is subject to an ex-ante vote by the shareholders.</p> <p>To the extent that the Executive Chairmen receive neither multi-year variable compensation nor deferred variable compensation, only the following elements are subject to a vote:</p> <ul style="list-style-type: none"> <li>♦ fixed compensation paid during the financial year 2019;</li> <li>♦ variable compensation awarded in respect of the financial year 2018 paid during the financial year 2019;</li> <li>♦ variable compensation awarded in respect of the financial year 2019 whose payment in 2020 is contingent on approval by shareholders;</li> <li>♦ benefits of any kind.</li> </ul> <p>All the compensation components set out below comply with the compensation policy for Executive Chairmen (see pages 33 to 40).</p>
Gross annual fixed compensation (or “additional” compensation in accordance with the Articles of Association)	€551,850	<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 at the time of €457,347.05. This ceiling is indexed each year, in an upward direction only. Since 1 January 2002, this indexation is calculated according to the increase in the Company’s consolidated revenue for the previous financial year, at constant exchange rates and scope of consolidation, by comparison with revenue for the next to last financial year (€2,610,994 for 2019). 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, which is subject to the deliberation of the Supervisory Board.</p> <p>The fixed compensation paid in 2019 to the company Émile Hermès SARL was determined by the Executive Management Board on 19 March 2019.</p>
Annual gross variable compensation paid in 2019 in respect of 2018 (“statutory” compensation in accordance with the Articles of Association)	€830,083 (CSR criterion not applicable)	<p>The gross annual statutory compensation of each Executive Chairman for a given year, shall not be more than 0.20% of the Company’s consolidated income before tax (€4,159,330 for 2019) for the previous financial year.</p> <p>Within the limits defined herein, the Executive Management Board of Émile Hermès SARL, Active Partner, sets the effective amount of the annual statutory compensation payable to each Executive Chairman, which is subject to the deliberation of the Supervisory Board. Thus, no minimum statutory compensation is guaranteed for the Executive Chairmen.</p> <p>The gross annual variable compensation of Émile Hermès SARL allocated and paid in 2019 was determined by the Executive Management Board on 19 March 2019.</p>
Deferred variable compensation	n/a	The principle of the allocation of deferred variable compensation is not provided for.
Multi-year variable compensation	n/a	No multi-year compensation arrangement was implemented in 2019.
Exceptional compensation	n/a	The principle of such compensation is not provided for.
Share options, performance-based shares or any other element of long-term compensation (IFRS valuation at the allocation date)	Stock options: n/a Performance-based shares: n/a Other elements: n/a	No stock option or performance-based share plans benefiting the Executive Chairmen were implemented during or in respect of the 2019 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	n/a	No such commitment exists.
Severance payment	n/a	No such commitment exists.
Non-competition payment	n/a	No such commitment exists.
Supplementary pension plan	n/a	Émile Hermès SARL, a legal entity, is not eligible for a supplementary pension plan.
Compensation paid or awarded by a company falling within the scope of consolidation	n/a	The principle of such compensation is not provided for.

Elements of compensation submitted to the vote	Amount paid during the financial year 2019 or accounting valuation in euros	Presentation
Valuation of benefits of any kind	n/a	Émile Hermès SARL does not receive benefits of any kind.
Death and disability plan	n/a	Émile Hermès SARL, a legal entity, is not eligible for a death and disability plan.

Elements of compensation submitted to the vote	Amount awarded in 2020 in respect of 2019 in euros	Presentation
Gross annual variable compensation awarded in 2020 for 2019 (or "statutory" compensation in accordance with the Articles of Association) the payment of which is contingent on the approval of the General Meeting of 24 April 2020	€912,261 of which (10%) for achieving the CSR criterion	<p>The gross annual statutory compensation of each Executive Chairman for a given year shall not be more than 0.20% of the Company's consolidated income before tax (€4,571,104 for 2020) for the previous financial year.</p> <p>Within the limits defined herein, the Executive Management Board of Émile Hermès SARL, Active Partner, sets the effective amount of the annual statutory compensation payable to each Executive Chairman, which from 2020 onwards is subject to the deliberation of the Supervisory Board. Thus, no minimum statutory compensation is guaranteed for the Executive Chairmen.</p> <p>A portion of the variable compensation is submitted to a new "CSR" criterion representing the Group's firm and ongoing commitments to sustainable development.</p> <p>This criterion is applied to 10% of the target variable compensation.</p> <p>The indicators relating to the CSR criterion relate to the following:</p> <ul style="list-style-type: none"> <li>♦ decoupling between business growth at constant scope and exchange rates and the evolution of industrial energy consumption (quantifiable environmental criterion);</li> <li>♦ actions implemented in favour of the local integration of the Group in France and throughout the world, excluding major cities (qualitative societal criterion); and</li> <li>♦ Group initiatives in favour of gender balance (qualitative social criterion).</li> </ul> <p>Achievement of these indices was assessed by the CAG-CSR Committee at its meeting of 9 January 2020. Further details regarding this assessment are set out page 44).</p> <p>The gross annual variable compensation of Émile Hermès SARL allocated in 2020 was determined by the Executive Management Board on 24 February 2020 and was subject to the deliberation of the Supervisory Board at its meeting of 25 February 2020.</p>

n/a: not applicable.

## Chairman of the Supervisory Board

Elements of compensation submitted to the vote	Amount paid during the financial year 2019 or accounting valuation in euros	Presentation
<b>7<sup>th</sup> and 10<sup>th</sup> resolutions (global and individual ex-post votes): Mr Éric de Seynes</b>		
		In accordance with the new framework governing compensation of senior executives introduced by Order No. 2019-1234 of 27 November 2019, which comes into force for your Company as of the Combined General Meeting of 24 April 2020, this compensation is subject to approval by the shareholders for the first time at said meeting, and as such has never been part of a compensation policy that is subject to an <i>ex-ante</i> vote by the shareholders. The compensation components set out below comply with the compensation policy for members of the Supervisory Board (see pages 33 to 35 and 41 to 43).
Gross annual fixed compensation	€140,000	The Chairman of the Supervisory Board is entitled to fixed annual compensation of €140,000. This is deducted from the total amount of compensation awarded to the Supervisory Board by the General Meeting. He is not entitled to any variable compensation as he attends all Supervisory Board meetings.
Gross annual variable compensation	n/a	The principle of such compensation for the Chairman is not provided for.
Other elements of compensation	n/a	No other form of compensation is provided for.
Other commitments	n/a	No such commitments exist.
Elements of compensation submitted to the vote	Amount awarded in 2020 in respect of 2019 in euros	Presentation
None	None	None

n/a: not applicable.

## Other members of the Supervisory Board

Elements of compensation submitted to the vote	Amount awarded during the financial year 2019 or accounting valuation in euros	Presentation
<b>7<sup>th</sup> resolution (global ex-post vote): Members of the Supervisory Board (excluding the Chairman)</b>		
		In accordance with the new framework governing compensation of senior executives introduced by Order No. 2019-1234 of 27 November 2019, which comes into force for your Company as of the Combined General Meeting of 24 April 2020, these elements of compensation are subject to approval by the shareholders for the first time at said meeting, and as such have never been part of a compensation policy that is subject to an <i>ex-ante</i> vote by the shareholders. Supervisory Board members receive compensation in a total amount that is approved by the General Meeting and that is apportioned by the Supervisory Board. Compensation paid to members of the Audit and Risk Committee and the CAG-CSR Committee is deducted from the total amount of compensation of Supervisory Board members. The General Meeting of 6 June 2017 set the maximum annual amount of compensation allocated to the Supervisory Board and its Committees at €600,000. The compensation components set out below comply with the compensation policy for members of the Supervisory Board (see pages 33 to 35 and 41 to 43).
Compensation of Board members (formerly termed "directors' fees")	See "Tables on the compensation received by Supervisory Board members" on pages 49 and 50.	See the allocation principles set out page 42.
Gross annual variable compensation as a Board member (formerly termed "directors' fees") paid in 2019 in respect of 2018 attendance	See "Tables on the compensation received by Supervisory Board members" on pages 49 and 50.	See the allocation principles set out page 42.
Other elements of compensation	n/a	No other form of compensation is provided for.
Other commitments	n/a	No such commitments exist.

n/a: not applicable.

Elements of compensation submitted to the vote	Amount awarded in 2020 in respect of 2019 in euros	Presentation
Gross annual variable compensation as a Board member (formerly termed “directors’ fees”) paid in 2020 in respect of 2019 attendance	See “Tables on the compensation received by Supervisory Board members” on pages 49 and 50.	See the allocation principles set out page 42.

**Seventh resolution:****Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to the Corporate Officers (global ex-post vote)**

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, pursuant to Article L. 226-8-2 I of the French Commercial Code (*Code de commerce*), approves the total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to the Corporate Officers, as presented in the purpose of draft resolutions.

**Eighth resolution:****Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to Mr Axel Dumas, Executive Chairman (individual ex-post vote)**

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, in line with the provisions of Article L. 226-8-2, II of the French Commercial Code (*Code de commerce*), approves the total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to Mr Axel Dumas, Executive Chairman, as presented in the purpose of draft resolutions.

**Ninth resolution:****Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to the Émile Hermès SARL company, Executive Chairman (individual ex-post vote)**

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, in line with the provisions of Article L. 226-8-2, II of the French Commercial Code (*Code de commerce*), approves the total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to Émile Hermès SARL, Executive Chairman, as presented in the purpose of draft resolutions.

**Tenth resolution:****Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to Mr Éric de Seynes, Chairman of the Supervisory Board (individual ex-post vote)**

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, in line with the provisions of Article L. 226-8-2, II of the French Commercial Code (*Code de commerce*), approves the total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2019 to Mr Éric de Seynes, Chairman of the Supervisory Board, as presented in the purpose of draft resolutions.



## ELEVENTH AND TWELFTH RESOLUTIONS: COMPENSATION POLICIES FOR EXECUTIVE CHAIRMEN AND SUPERVISORY BOARD MEMBERS (EX-ANTE VOTES).

### Purpose

The new framework applicable to *sociétés en commandite par actions* (partnerships limited by shares) governing Senior Executive compensation, introduced by Order No. 2019-1234 of 27 November 2019, is set out in detail pages 33 *et seq.*

This framework provides that the Shareholders' General Meeting votes each year on the compensation policies of the Corporate Officers (i.e. the Executive Chairmen and the Supervisory Board members).

These are set out pages 33 *et seq.*

Through the 11<sup>th</sup> and 12<sup>th</sup> resolutions, we ask you to approve the following compensation policies (*ex-ante* vote):

Resolutions	Corporate Officers concerned
<b>Ex-ante vote</b>	
11 <sup>th</sup> (compensation policy)	Executive Chairmen
12 <sup>th</sup> (compensation policy)	Members of the Supervisory Board

### Eleventh resolution:

#### Approval of the compensation policy for Executive Chairmen (*ex-ante* vote)

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Supervisory Board's corporate governance report, pursuant to Article L. 226-8-1, II of the French Commercial Code (*Code de commerce*), approves the compensation policy for Executive Chairmen, as set out in the afore-mentioned report (chapter 3, section 3.5.1.1 and 3.5.1.2 of the 2019 Universal registration document).

### Twelfth resolution:

#### Approval of the compensation policy for Supervisory Board members (*ex-ante* vote).

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Supervisory Board's corporate governance report, pursuant to Article L. 226-8-1, II of the French Commercial Code (*Code de commerce*), approves the compensation policy for Supervisory Board members, as set out in the afore-mentioned report (chapter 3, section 3.5.1.1 and 3.5.1.3 of the 2019 Universal registration document).

**THIRTEENTH, FOURTEENTH, FIFTEENTH AND SIXTEENTH RESOLUTIONS: RE-ELECTION OF SUPERVISORY BOARD MEMBERS****Purpose**

The terms of office of four members of the Supervisory Board (Mses. Dorothée Altmayer and Monique Cohen, Messrs. Renaud Momméja and Éric de Seynes) expire at the end of this meeting.

In the thirteenth, fourteenth, fifteenth and sixteenth resolutions, the Active Partner proposes that you renew, for the three year period as set out in the Articles of Association, the mandates of these members of the Supervisory Board:

These four mandates would thus expire at the end of the General Meeting called in 2023 to approve the financial statements for the financial year ending 31 December 2022.

Ms Dorothée Altmayer has been a member of the Supervisory Board since 6 June 2017.

She brings to the Board her in-depth knowledge of the history and culture of Hermès. Her professional background, her skills in human resources, and the commitment with which she carries out her duties enable her to make an effective contribution to the quality of the discussions and work of the Board in all of its areas of responsibility.

Ms Monique Cohen is an independent member of the Supervisory Board and Chairwoman of the Audit and Risk Committee since 3 June 2014.

Her professional background, her experience as a manager and director of large international groups, her knowledge of financial and banking markets, her expertise in managing equity investments, her shareholder-based financial vision, and the commitment with which she carries out her duties and chairs the Audit and Risk Committee enable her to make an effective contribution to the quality of the discussions and work of the Board in all of its areas of responsibility.

Mr Renaud Momméja has been a member of the Supervisory Board since 2 June 2005.

He brings to the Board his in-depth knowledge of the history and culture of Hermès, as well as that of Asia. His professional background, his expertise in the fields of property, finance, corporate strategy and CSR, and the commitment with which he carries out his duties and participates in the Audit and Risk Committee enable him to make an effective contribution to the quality of the discussions and work of the Board in all of its areas of responsibility.

Mr Éric de Seynes has been a member of the Supervisory Board since 7 June 2010. He previously held this office from 2005 until 2008. He was also a member of the Audit 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.

He brings to the Board his in-depth knowledge of the history and culture of Hermès, alongside his leadership skills. His professional background, his extensive managerial experience, his skills as an operational and functional manager of an industrial group with an international dimension, the commitment with which he carries out his duties and chairs the Board enable him to make an effective contribution to the quality of the discussions and work of the Board in all of its areas of responsibility.

**Cumulative attendance over the three years of their last term of office**

	<b>Supervisory Board</b>	<b>Audit and Risk Committee</b>	<b>Committee CAG-CSR</b>
Ms Dorothée Altmayer	100.00%	n/a	n/a
Ms Monique Cohen	95.45%	100.00%	n/a
Mr Renaud Momméja	95.45%	83.33%	n/a
Mr Eric de Seynes	100.00%	n/a	n/a

*n/a: not applicable.*

Information on the persons whose renewal is submitted for your approval is provided on pages 26 to 32.

**Thirteenth resolution:****Re-election of Ms Dorothée Altmayer as Supervisory Board member for a term of three years**

On proposal of 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 mandate of:

Ms Dorothée Altmayer

Pursuant to Article 18.2 of the Articles of Association, her mandate for a period of three years will expire at the end of the Annual Ordinary General Meeting called in 2023 to approve the financial statements for the financial year ending 31 December 2022.

Ms Dorothée Altmayer has indicated that she is prepared to accept the renewal of her mandate, and that she does not hold any positions and is not subject to any restrictions that could prevent her from carrying out her duties.

**Fourteenth resolution:**

**Re-election of Ms Monique Cohen as Supervisory Board member for a term of three years**

On proposal of 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 mandate of:

Ms Monique Cohen

Pursuant to Article 18.2 of the Articles of Association, her mandate for a period of three years will expire at the end of the Annual Ordinary General Meeting called in 2023 to approve the financial statements for the financial year ending 31 December 2022.

Ms Monique Cohen has indicated that she is prepared to accept the renewal of her mandate, and that she does not hold any positions and is not subject to any restrictions that could prevent her from carrying out her duties.

**Fifteenth resolution:**

**Re-election of Mr Renaud Momméja as Supervisory Board member for a term of three years**

On proposal of 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 mandate of:

Mr Renaud Momméja

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 2023 to approve the financial statements for the financial year ending 31 December 2022.

Mr Renaud Momméja has indicated that he is prepared to accept the renewal of his mandate, and that he does not hold any positions and is not subject to any restrictions that could prevent him from carrying out his duties.

**Sixteenth resolution:**

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

On proposal of 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 mandate of:

Mr Éric de Seynes

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 2023 to approve the financial statements for the financial year ending 31 December 2022.

Mr Éric de Seynes has indicated that he is prepared to accept the renewal of his mandate, and that he does not hold any positions and is not subject to any restrictions that could prevent him from carrying out his duties.

## EXTRAORDINARY BUSINESS

### SEVENTEENTH RESOLUTION: AUTHORISATION TO REDUCE THE SHARE CAPITAL BY CANCELLATION OF SHARES

#### *Purpose*

In the seventeenth resolution, we ask you to renew the authorisation granted to the Executive Management to cancel, on one or more occasions, in the amounts and at the times it so decides, all or part of the shares acquired by the Company under the programme to purchase its own shares. This authorisation would in particular 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.

The Statutory Auditors' report on the seventeenth resolution is presented on page 442 of the 2019 Universal Registration Document.

#### Seventeenth resolution:

#### **Authorisation to be granted to the 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, authorises the Executive Management, in accordance with Article L. 225-209 of the French Commercial Code (*Code de commerce*), to reduce the share capital by cancelling, on one or more occasions, in the amounts and at the times it so decides, some or all of the shares held by the Company or acquired by the Company under the share buyback programme referred to in the sixth resolution ("authorisation granted to the Executive Management to trade in the Company's 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 the broadest of powers to the Executive Management for the purpose of implementing 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 this 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.

It cancels and replaces, for the remaining term and the unused portion, the authorisation granted by the Combined General Meeting of 4 June 2019 in its fourteenth resolution ("authorisation to reduce share capital by cancellation of shares").

## EIGHTEENTH RESOLUTION: STOCK OPTIONS

### Purpose

Pursuant to the 18th resolution, we ask you to renew the authorisation granted to the Executive Management to grant stock options to the employees and Executive Corporate Officers of the company and its subsidiaries.

Since 2008, no stock option plan has been offered to employees and Executive Corporate Officers of the Company and its subsidiaries. The Company would, however, like to renew this authorisation so that it still has the possibility of using this mechanism. Options may be a suitable compensation tool in certain situations, including for aligning the interests of Senior Executives and employees with those of shareholders by creating value in the medium and long term. There are strict regulations on granting options.

The total number of stock options that may be granted pursuant to this resolution and not yet exercised, and the total number of free shares awarded pursuant to the 18<sup>th</sup> resolution may not represent a number of shares greater than 2% of the total number of ordinary shares existing at the time of the grants, without taking into account:

- ◆ those already granted pursuant under previous authorisations;
- ◆ those not definitively allocated at the end of the vesting period provided for in the sixth paragraph of Article L. 225-197-1, I of the French Commercial Code (*Code de commerce*);
- ◆ those no longer subject to the retention period provided for in the seventh paragraph of Article L. 225-197-1, I of the French Commercial Code (*Code de commerce*).

The share purchase price would be set by the Executive Management, within the limits and according to the methods laid down in law.

Given the regulations currently in force, the purchase price may not be less than 80% of the average price quoted over 20 stock market trading days on the Euronext Paris regulated market preceding the option grant date, nor may it be less than 80% of the average purchase price of the shares held by the Company, acquired in particular as part of the buyback programme. This price may not be changed, unless the Company were to undertake the financial transactions referred to in Article L. 225-181 of the French Commercial Code (*Code de commerce*), during the lifetime of the options. In this event, Executive Management would adjust the number and price of the shares in line with the legal provisions. The stock options may be exercised within a maximum period of seven years from their grant date.

In accordance with Article L. 233-32 of the French Commercial Code (*Code de commerce*), this delegation of authority may be implemented during a public offering on the shares of the Company.

In the event one or more Executive Chairmen are granted stock options:

1) the Company must meet one or more of the conditions specified in Article L. 225-186-1 of the French Commercial Code (*Code de commerce*); i.e.:

- ◆ either also grant such options to all of the Company's employees and to at least 90% of the employees of its French subsidiaries, or
  - ◆ grant free shares to the employees referred to above, or
  - ◆ enhance (or set up if necessary) arrangements for profit-sharing and/or incentive schemes for employees of the Company and its subsidiaries;
- 2) in accordance with the provisions of Article L. 225-185 of the French Commercial Code (*Code de commerce*), the Supervisory Board must ensure that the stock options may not be exercised before the relevant Executive Chairmen cease their duties, or must set a quantity of shares resulting from the exercise of stock options to be kept in registered form until the termination of their duties;

3) in addition, in accordance with the Afep-Medef Corporate Governance Code, to which the Company refers:

- ◆ the exercise price of the options will not include any discount,
- ◆ the options granted will be subject to demanding performance conditions to be met over several years and defined at the time of their granting,
- ◆ the maximum percentage of shares to which Executive Chairmen may subscribe by virtue of their stock options under this resolution will be 0.05% of the share capital at the date on which Executive Management decides to grant them, this sub-limit being offset against the 2% ceiling common to the delegations under the 18th and 19th resolutions.

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

The Statutory Auditors' report on the 18<sup>th</sup> resolution is presented on page 443 of the 2019 Universal Registration Document.

**Eighteenth resolution:****Authorisation to be given to Executive Management to grant stock options**

The General Meeting, acting under the quorum and majority requirements for Extraordinary General Meetings, having reviewed the Executive Management's report, the Statutory Auditors' special report, and the Supervisory Board's report:

1) resolves to authorise Executive Management, pursuant to Articles L. 225-177 to L. 225-186-1 of the French Commercial Code (*Code de commerce*), to grant, within the limits of the legislation in force:

- ◆ on one or more occasions;
- ◆ to employees and Executive Corporate Officers, or to some or certain categories thereof, of Hermès International and of companies or groups linked thereto pursuant to the conditions referred to in Article L. 225-180 of the French Commercial Code (*Code de commerce*), options entitling the bearers to purchase Hermès International shares acquired by the Company under legal conditions.

2) confirms that, pursuant to Article L. 233-32 of the French Commercial Code (*Code de commerce*), this delegation may be implemented during a public offering on the shares of the Company:

- ◆ the period during which Executive Management may use this authorisation, at the time(s) it deems appropriate, is set at 38 months from the date of this meeting;
- ◆ the total number of stock options that may be granted pursuant to this authorisation may not be such that the number of stock options awarded in respect of this resolution and the number of free shares awarded under the nineteenth resolution represent a number of shares greater than 2% of the total number of ordinary shares of the Company existing at the time the options are granted, without taking into account:
  - those already allocated pursuant to previous authorizations,
  - those not definitively granted at the end of the vesting period provided for in the sixth paragraph of Article L. 225-197-1 of the French Commercial Code (*Code de commerce*),
  - those no longer subject to the retention period provided for in the seventh paragraph of Article L. 225-197-1 of the French Commercial Code (*Code de commerce*).
- ◆ the stock options may be exercised by the beneficiaries within a maximum period of seven years from their grant date,
- ◆ the purchase price of the shares shall be set by Executive Management within the limits and according to the procedures specified in Articles L. 225-177 paragraph 4 and L. 225-179 paragraph 2 of the French Commercial Code (*Code de commerce*) and shall be at least equal to 80% of the average of the prices quoted on the Euronext Paris regulated market during the 20 trading days preceding the granting of the options, without being less than 80% of the average purchase price of the shares held by the Company in respect of purchases made under the conditions provided for in Articles L. 225-208 and L. 225-209 of said code,

- ◆ to this end, the General Meeting gives the broadest of powers to the Executive Management, within the limits set above, for the purpose of implementing this resolution, and in particular:
  - to determine the terms of the operation, specifically the conditions under which the stock options will be granted, the period(s) during which the options may be granted and exercised, the list of beneficiaries of the stock options and the number of shares that each one may acquire,
  - to set the conditions under which the options may be exercised,
  - where applicable, to stipulate a period of non-transferability and/or prohibition of conversion to bearer form of shares arising from the exercise of stock options, on the understanding that the period of non-transferability cannot exceed three years from the stock option exercise date,
  - to schedule the ability to temporarily suspend the exercise of options for a maximum period of three months in the event of financial transactions that involve the exercise of a right attached to the shares,
- ◆ in the event one or more Executive Chairmen are granted stock options:
  - resolves that the Executive Management must ensure that the Company meets one or more of the conditions specified in Article L. 225-186-1 of the French Commercial Code (*Code de commerce*) and must take all appropriate measures to this end,
  - resolves that the Supervisory Board must ensure that the stock options may not be exercised before the relevant Executive Chairmen cease their duties, or must set a number of shares resulting from the exercise of stock options to be kept in registered form until the termination of their duties,
  - resolves that, in accordance with the Afep-Medef Corporate Governance Code, to which the Company refers:
    - the exercise price of the options will not include any discount,
    - the options granted will be subject to demanding performance conditions to be met over several consecutive years and defined at the time of their granting,
    - 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 sub-limit being offset against the 2% ceiling common to the delegations granted under the eighteenth and nineteenth resolutions,
- ◆ if, during the period during the option grant period, the Company conducts one of the transactions provided for by Article L. 225-181 of the French Commercial Code (*Code de commerce*) or by Article R. 225-138 of the same code, under regulatory conditions and to take into account the impact of this transaction, the Company will take those measures necessary to protect the interests of the beneficiaries, including, if necessary, by adjusting the number and price of the shares that may be obtained by exercising the options granted to the beneficiaries,
- ◆ each year, the Executive Management will notify the Ordinary General Meeting of the transactions conducted in connection with this delegation.

## NINETEENTH RESOLUTION: ALLOCATION OF FREE SHARES

### Purpose

By the 19th resolution, we recommend that you renew the authorisation granted to the Executive Management to grant free existing ordinary shares in the Company.

The Company would like to renew this authorisation because it is part of the Group's long-term compensation policy, which aims to share the benefits of growth with employees and enable them to identify more closely with the growth decisions taken by Hermès in the long term. The employee shareholding plans were implemented several years ago (the first dates back to 1993), making it possible to recognise the contribution of employees to the House's development, regardless of their role and geographical location. They also serve to increase attractiveness, motivation and loyalty, in order to align beneficiaries' interests with those of the Company and its stakeholders.

The total number of free shares that may be granted pursuant to this authorisation and the total number of shares to which stock options may grant entitlement pursuant to the 18th resolution and not yet exercised may not represent a number of shares greater than 2% of the number of ordinary shares of the Company on the day of said grant, without taking into account:

- ◆ those already allocated pursuant to previous authorisations;
- ◆ those not definitively allocated at the end of the vesting period provided for in the sixth paragraph of Article L. 225-197-1, I of the French Commercial Code (*Code de commerce*);
- ◆ those no longer subject to the retention period provided for in the seventh paragraph of Article L. 225-197-1, I of the French Commercial Code (*Code de commerce*).

The total number of free shares allocated must also respect the maximum limit authorised in Article L. 225-197-1 of the French Commercial Code (*Code de commerce*) and, more generally, by applicable laws.

The vesting period for free shares may not be less than two years, and the Executive Management is authorised to reduce the vesting period to one year if the share allocation is subject to a mandatory retention period of a minimum duration of one year. The mandatory retention period for shares may not be less than one year, and the Executive Management is authorised to reduce or remove it, under the conditions and limits provided for by the law in force on the date of the grant decision, except for the special cases set out in the resolution.

In accordance with Article L. 233-32 of the French Commercial Code (*Code de commerce*), this delegation of authority may be implemented during a public offering on the shares of the Company. As is the case for stock options, in the event that one or more Executive Chairmen are granted free shares:

- 1) the Company must meet one or more of the conditions specified in Article L. 225-197-6 of the French Commercial Code (*Code de commerce*); i.e.:
  - ◆ either grant free shares to all of the Company's employees and to at least 90% of the employees of its French subsidiaries, or
  - ◆ allocate stock options to the employees referred to above, or
  - ◆ provide the above employees with a unilateral matching contribution to the company savings plan, or
  - ◆ enhance (or set up if necessary) arrangements for profit-sharing and/or incentive schemes for employees of the Company and its subsidiaries;
- 2) in accordance with the provisions of Article L. 225-197-1, II of the French Commercial Code (*Code de commerce*), the Supervisory Board must ensure that the shares granted cannot be sold before the Executive Chairmen cease their duties, or must set a quantity of these shares that must be kept in registered form until the cessation of their duties;
- 3) in addition, in accordance with the Afep-Medef Corporate Governance Code, to which the Company refers:
  - ◆ the free shares granted will be subject to demanding performance conditions to be met over several years and defined at the time of their granting,
  - ◆ the maximum percentage of free shares that may be granted is 0.05%, this sub-limit being offset against the 2% ceiling common to the delegations under the 18th and 19th resolutions.

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

The Statutory Auditors' report on the 19<sup>th</sup> resolution is presented on page 444 of the 2019 Universal Registration Document.



**Nineteenth resolution:****Authorisation to be given to the Executive Management to grant free existing shares.**

The General Meeting, acting under the quorum and majority requirements for Extraordinary General Meetings, having reviewed the Executive Management's report, the Statutory Auditors' report, and the Supervisory Board's report, prepared in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code (*Code de commerce*):

- 1) authorises the Executive Management to carry out, on one or more occasions, in favour of employees and/or Corporate Officers of the Company and companies or groups linked thereto pursuant to the conditions referred to in Article L. 225-197-2 of the French Commercial Code (*Code de commerce*), or to some or certain categories thereof, free allocations of existing ordinary shares in the Company. The existing shares that may be granted pursuant to this resolution must be acquired by the Company as part of the share buyback programme authorised by the sixth resolution under Article L. 225-209 of the French Commercial Code (*Code de commerce*), or any share buyback programme applicable previously or subsequently;
- 2) resolves that the Executive Management shall determine the identity of the beneficiaries or categories of beneficiaries of the allocations, and the conditions of such allocations and, if applicable, the criteria for allocating shares;
- 3) resolves that the Executive Management shall set, within the legal conditions and limits, the dates on which the allocations of free shares will be made;
- 4) resolves that the total number of free ordinary shares allocated pursuant to this authorisation may not be such that the total number of free shares allocated in respect of this resolution and the total number of shares to which stock options granted pursuant to the eighteenth resolution and not yet exercised grant entitlement, represent a number of shares greater than 2% of the number of ordinary shares of the Company on the date of said allocation of free shares, without taking into account:
  - ◆ those already allocated pursuant to authorisations granted by previous General Meetings,
  - ◆ those not definitively allocated at the end of the vesting period provided for in the sixth paragraph of Article L. 225-197-1 of the French Commercial Code (*Code de commerce*),
  - ◆ those no longer subject to the retention period provided for in the seventh paragraph of Article L. 225-197-1, I of the French Commercial Code (*Code de commerce*);
- 5) resolves that upon each allocation, the Executive Management shall set the vesting period after which the ordinary share allocation becomes final, where said period may not be less than one year; however, in the event of the beneficiary's death, their heirs may request the allocation of shares within six months of said death, subject, where applicable, to the fulfilment of performance conditions; furthermore, in the event of the beneficiary's Category 2 or 3

disability as provided for in Article L. 341-4 of the French Social Security Code and resulting in the cessation of all professional activity, the beneficiary may request the allocation of their shares before the end of this period, subject, where applicable, to the fulfilment of performance conditions;

- 6) resolves that upon each allocation, the Executive Management shall, in principle, set a retention period for the shares by the beneficiaries, which will start upon final vesting of the ordinary shares and may not be less than one year, though the Executive Management may be authorised to reduce or remove said retention period, under the conditions and limits provided for by the law in force on the date of the grant decision; however, the shares shall be freely transferable in the event of the death of the beneficiary, and in the event of their Category 2 or 3 disability as provided for under Article L. 341-4 of the French Social Security Code;
- 7) authorises the Executive Management, where appropriate, to set the conditions and criteria for share allocations, such as, without the following list being exhaustive, seniority conditions, conditions relating to the continuation of the employment contract or corporate office during the vesting period, and any other financial, individual, or collective performance conditions;
- 8) authorises the Executive Management to register the free shares allocated in a registered account in the name of their holder, stating, where appropriate, that the shares are unavailable;
- 9) authorises the Executive Management, where appropriate, during the vesting period of the shares allocated, to make any adjustments in order to take into account the impact of transactions on the Company's capital, specifically to determine the conditions pursuant to which the number of ordinary shares allocated shall be adjusted;
- 10) confirms that, pursuant to Article L. 233-32 of the French Commercial Code (*Code de commerce*), this delegation may be implemented during a public offering on the shares of the Company;
- 11) more generally, confers the broadest of powers to the Executive Management, with the option to sub-delegate under the legal conditions, so as to conclude all agreements, draw up all documents, carry out all formalities and make all declarations with all bodies and, more generally, do whatever is otherwise necessary.
  - ◆ the period during which the Executive Management may use this authorisation, on one or more occasions, is set at 38 months from the date of this meeting,
  - ◆ in the event one or more Executive Chairmen are allocated stock options:
    - resolves that the Executive Management must ensure that the Company meets one or more of the conditions specified in Article L. 225-197-6 of the French Commercial Code (*Code de commerce*) and must take all appropriate measures to this end,
    - resolves that the Supervisory Board must ensure that the shares allocated cannot be sold before the Executive Chairmen cease their duties, or must set a number of these shares which must be kept in registered form until the termination of their duties,



- resolves that, in accordance with the Afep-Medef Corporate Governance Code of June 2018, to which the Company refers:
- the free shares allocated will be subject to demanding performance conditions to be met over several consecutive years defined at the time of issuance,
- the maximum percentage of free shares that may be allocated to the Executive Chairmen under this resolution shall be 0.05%, this sub-limit being offset against the 2% limit common to the delegations granted in the eighteenth and nineteenth resolutions,
- ◆ each year, the Executive Management will notify the Ordinary General Meeting of the allocations made under this resolution under the legal conditions, and specifically Article L. 225-197-4 of the French Commercial Code (*Code de commerce*).

## TWENTIETH RESOLUTION: AMENDMENTS OF THE ARTICLES OF ASSOCIATION

*Purpose*

Through the 20th resolution, we ask you to amend the Articles of Association as follows:

*Amendment of Article 18.6 of the Articles of Association (number of employee representatives on the Supervisory Board)*

Law No. 2019-486 of 22 May 2019 on the growth and transformation of companies (the "Pacte" law) strengthened employee representation on the Supervisory Board, by lowering the thresholds for the composition of boards provided for by the Rebsamen law of 17 August 2015. Pursuant to Article L. 225-79-2 of the French Commercial Code (*Code de commerce*), *sociétés en commandite par actions* (partnerships limited by shares) – are now required to appoint two employee representatives to the Supervisory Board when the latter is composed of more than eight members (versus 12 before the Pacte law).

We thus ask you to amend Article 18.6 of the Company's Articles of Association to comply with these new provisions.

We also point out that the Company is already in compliance with this obligation, given that when the term of office of Mr Frédéric Afriat, employee representative on the Supervisory Board, expired on 8 November 2019, the Group Works Council was asked to appoint two new members, without waiting for the amendment to Article 18.6 of the Articles of Association, and respecting gender parity. The two new Supervisory Board members representing employees were appointed on 12 November 2019 (Ms Pureza Cardoso and Mr Rémy Kroll). Further information on these new members is available on pages 225 and 232 of the 2019 Universal registration document.

*Amendment of Article 22 of the Articles of Association (compensation of Supervisory Board members)*

The Pacte law amended Article L. 225-83 of the French Commercial Code (*Code de commerce*) by deleting the term "directors' fees".

We thus ask you to amend Article 22 of the Articles of Association to take account of this change.

**Twentieth resolution:****Amendment to Article 18.6 (number of Supervisory Board members representing employees) and 22 (compensation of Supervisory Board members) of the Company's Articles of Association**

The General Meeting, acting under the quorum and majority requirements for Extraordinary General Meetings, having reviewed the Executive Management's report and the Supervisory Board's report, resolves to amend the wording of Articles 18.6 and 22 of the Articles of Association as follows:

*Article 18 – SUPERVISORY BOARD*

- Paragraph 18.6 now reads as follows (added words are underlined and in bold, deleted words are struck through):

**"18.6 - Where the provisions of Article L. 225-79-2 of the Commercial Code are applicable to the Company, one or more members, natural persons, representing the Group's employees must be appointed under the conditions set by the above-mentioned article. ~~When the Supervisory Board consists of 13 and more members (not including the employee representatives), a second natural member representing the Group's employees must be appointed.~~**

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

The term of office for employee representative Supervisory Board members will be indicated in Article 18.2 of the present Articles of Association.

A reduction ~~to 12 or fewer than twelve~~ **to the number of** Supervisory Board members, **within the framework of the application of the provisions of Article L. 225-79-2 of the Commercial Code,** will have no effect on the term of all Supervisory Board members representing the employees that will come to an end upon its normal expiry.

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

The rest of the Article remains unchanged.

*Article 22: COMPENSATION OF THE SUPERVISORY BOARD*

This Article now reads as follows (added words are underlined and in bold, deleted words are struck through):

**"Supervisory Board members may receive, ~~as directors' fees,~~ annual compensation, the amount of which is determined by the Ordinary General Meeting of shareholders and shall remain unchanged until such time as a new resolution is adopted by the Meeting".**

The Board apportions ~~such directors' fees~~ **this compensation** among its members as it sees fit."

## TWENTY-FIRST RESOLUTION: POWERS

### *Purpose*

The twenty-first resolution is a standard resolution making it possible to undertake all legal filing and disclosure formalities required by law, following the General Meeting.

### **Twenty-first 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 resolutions, in order to carry out all legal publication or other formalities.

# 7

## SUPERVISORY BOARD'S REPORT TO THE GENERAL MEETING OF 24 APRIL 2020

In accordance with legal and regulatory requirements, we hereby present our report on the accomplishment of our duties for the financial year ended 31 December 2019.

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 and its notes, as well as the statement of profit or loss, have been provided to us as required by law;
- ♦ transactions subject to prior authorisation by the Supervisory Board under the terms of specific provisions contained in the Company's Articles of Association have been duly approved by us, as is duly demonstrated hereafter;
- ♦ lastly, the Supervisory Board ruled on various matters within its exclusive competence with respect to the Articles of Association.

### 1. OBSERVATIONS ON 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 financial year ended 31 December 2019. We issue a favourable opinion on the approval of the financial statements.

### 2. ALLOCATION OF NET INCOME

On 25 February 2020, the Executive Management decided to pay an interim dividend of €1.50 per share. This interim dividend was paid on 5 March 2020.

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 €5.00 per share.

After deduction of the interim dividend, the balance of €3.50 per share will be detached on 28 April 2020 and paid on 30 April 2020, based on the positions approved on 29 April 2020.

### 3. RELATED-PARTY AGREEMENTS

Since no related-party agreements requiring the authorisation of the Supervisory Board were concluded in 2019, you are notified that there are none to approve.

The agreements approved previously by the General Meeting are presented in the Statutory Auditors' special report on the agreements mentioned in Articles L. 226-10 and L. 225-38 to L. 225-43 of the French Commercial Code (*Code de commerce*), which appears on pages 82 and 83. None of these agreements changed significantly with respect to amounts or financial terms in 2019.

You are reminded that the allowances or benefits due or likely to be due as a result of a change or cessation of office by an Executive Officer, or subsequent to them, and the defined-benefit pension plan commitments of the dissociated Chairman and Executive Officers are no longer subject to the enhanced related-party agreements scheme (Article L. 225-42-1 of the French Commercial Code (*Code de commerce*), having been repealed by order no. 2019-1234 of 27 November 2019).

The agreement on trademark licenses was revised, effective from 1 January 2019. This revision resulted in the declassification of the agreement, as it no longer met the criteria to be considered a related-party agreement due to a change in circumstances.

No other agreement was declassified in 2019.

Pursuant to Article L. 225-38 of the French Commercial Code (*Code de commerce*) amended by order 2014-863 of 31 July 2014, the authorisation decisions of the Supervisory Board since 1 August 2014 are all supported by justification. A review of related-party agreements 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 General Meetings of shareholders of listed companies, which was incorporated in the French Commercial Code (*Code de commerce*) (Article L. 225-40-1) by the abovementioned order.

Following the review of 2019, the Board had no comments to make.

In addition, pursuant to law No. 2019-486 of 22 May 2019 relating to the growth and transformation of companies (the "Pacte" law), the company is now obliged to implement a procedure to regularly assess whether agreements relating to usual transactions made under normal conditions, meet these conditions.

This procedure, which applies only to Hermès International and not to its subsidiaries, was approved by the Supervisory Board on 25 February 2020. Its purpose is to enable Hermès International to periodically assess the appropriateness of the classification used for ongoing agreements entered into during the financial year, those that continue over several years, and any agreements that are modified.

The description of this procedure and its implementation are given in the Supervisory Board's corporate governance report on page 276 of the Universal Registration Document.

### 4. ACTIVITY OF THE SUPERVISORY BOARD

You will find in the Supervisory Board's report on corporate governance, pages 244 to 246 of the 2019 Universal Registration Document, the Supervisory Board's 2019 activity.

## 5. COMPOSITION OF THE SUPERVISORY BOARD

We fully support the proposal that is made to you in the explanation on page 70 to renew for the three-year term, pursuant to the Articles of Association, the expiring mandates of:

- ♦ Ms Dorothée Altmayer;
- ♦ Ms Monique Cohen;
- ♦ Mr Renaud Momméja; and
- ♦ Mr Éric de Seynes.

A progress report on the mission to change the composition of the Supervisory Board, entrusted since 2011 to the CAG-CSR Committee, can be found in the Supervisory Board's corporate governance report, on page 236 et seq. of the 2019 Universal Registration Document.

## 6. RECOMMENDATIONS ON DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 24 APRIL 2020

We are in favour of all the draft resolutions submitted.

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

The Supervisory Board

# 8 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## General Meeting for the approval of the financial statements for the year ended 31 December 2019

To the General Meeting of Hermès International,

In our capacity as Statutory Auditors of your company, we hereby report to you on related-party agreements.

It is our duty to inform you, based on the information made available to us, of the features and the essential terms of the agreements of which we have been advised or that we have discovered during our assignment and the reasons justifying their interest to the company, though we are not obliged to comment on their usefulness or their value or to seek out other agreements. It is your responsibility, pursuant to the provisions of Article R. 226-2 of the French Commercial Code (*Code de commerce*), to consider the value of the conclusion of these agreements with a view to their approval.

It is also our duty, where appropriate, to inform you of the information provided for by Article R. 226-2 of the French Commercial Code (*Code de commerce*) regarding the performance, over the financial year ended, of the agreements previously approved by the General Meeting.

We have carried out the procedures we considered necessary for this task in accordance with the professional standards of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) regarding this assignment. These procedures consisted in verifying that the information provided to us was consistent with the data in the documents from which it was drawn.

## Agreements submitted for the approval of the General Meeting

### Agreements and commitments authorised and concluded during the financial year ended

We hereby inform you that we have not been advised of any agreement or commitment authorized and entered into during the financial year ended to be submitted for the approval of the General Meeting, pursuant to the provisions of Article L. 226-10 of the French Commercial Code (*Code de commerce*).

## Agreements already approved by the General Meeting

### Agreements approved in previous years

#### a) performance of which continued during the financial year ended

In accordance with Article R. 226-2 of the French Commercial Code (*Code de commerce*), we have been informed that performance of the following agreements, approved by the General Meeting in previous years, continued during the financial year ended.

#### 1) Service provision agreement with Émile Hermès SARL

##### Person concerned

Emile Hermès SARL, Executive Chairman of Hermès International.

##### Nature, purpose and conditions

By resolutions of your Supervisory Board on 23 March 2005 and 14 September 2005, a service provision agreement was entered into between your company and Émile Hermès SARL covering day-to-day matters of a legal and financial nature. On 1 September 2007, your Supervisory Board authorised the signing of a rider to this agreement, adding the duties of secretariat. In its meetings of 25 January 2012 and 30 August 2012, your Supervisory Board authorised the signing of two riders to this agreement, changing the price of the secretarial services and adding an exceptional assignment of monitoring shareholding.

For 2019, invoicing for these services amounted to €234,612.

#### 2) Service provision agreement with Studio des Fleurs

##### Person concerned

Mr Frédéric Dumas, member of the Executive Management Board of Emile Hermès Sarl, Executive Chairman of Hermès International.

##### Nature, purpose and conditions

On 20 March 2018, your Supervisory Board authorised a contract between Hermès International and Studio des Fleurs relating to the provision of services for shots and retouches for e-commerce product pack shots.

##### Reason justifying the benefits for the Company

Studio des Fleurs has accepted the following points, which were fundamental for Hermès International:

- ♦ obligations of Studio des Fleurs: compliance with very precise specifications, duty of advice, monitoring of performance, quality control, criteria for monitoring performance indicators;
- ♦ no guaranteed minimum order;
- ♦ fixed three-year term followed by indefinite duration;
- ♦ long prior notice for termination (18 months);
- ♦ no exclusivity;
- ♦ undertaking by Studio des Fleurs to take the necessary steps to preserve its economic independence (notably by broadening and diversifying its customer base) vis-à-vis the Hermès Group;
- ♦ confidentiality and prohibition on using Hermès as a reference;
- ♦ no revision of rates before the expiry of three years, and then revision possible but capped.

For 2019, invoicing for these services amounted to €3,204,681.

#### 3) Service provision agreement with MOCE

##### Person concerned

Mr Charles-Eric Bauer, majority shareholder of MOCE and member of the Supervisory Board of Hermès International.

##### Nature, purpose and conditions

On 6 June 2017, your Supervisory Board authorised the signing of a contract between Hermès International and MOCE ("EatMe" brand) for fast food services at Hermès International's site at 12, Rue d'Anjou (75008).

**Reason justifying the benefits for the Company**

Hermès International invited bids from a number of providers of fast food catering services in the context of a consultation. MOCE was selected on account of its commercial offering. This company did not propose any fixed charges and planned to develop the space in harmony with the building.

For financial year 2019, invoicing for these services amounted to €62,567.

**4) Design mission agreement with the RDAI architecture consultancy**

**Person concerned**

Ms Sandrine Brekke, partner with a more than 10% holding in RDAI and a member of the Executive Management Board of Emile Hermès SARL, Executive Chairman of Hermès International.

**Nature, purpose and conditions**

In its meetings of 7 July and 13 September 2017, your Supervisory Board authorised a new framework agreement between your company and all the companies that it controls either directly or indirectly, and RDAI, defining the outline of RDAI's assignment for the exclusive application of the architectural Concept in Hermès projects.

For 2019, invoicing your company for these services amounted to €79,889.

**b) not executed during the past financial year**

We have also been informed of the continuation of the following agreements, already approved by the General Meeting in previous financial years, which were not executed during the past financial year.

**5) Design mission agreement with the RDAI architecture studio**

**Person concerned**

Ms Sandrine Brekke, partner with a more than 10% holding in RDAI and a member of the Executive Management Board of Émile Hermès SARL, Executive Chairman of Hermès International.

**Nature, purpose and conditions**

On 3 July 2015 and 20 November 2015, your Supervisory Boards approved:

- ♦ an agreement between your company and the RDAI Consultancy for a design mission for the interior appointments of the offices at 10-12 rue d'Anjou in Paris, which involves several floors and includes the supply of furniture;
- ♦ a rider to this agreement in order to award RDAI two additional design packages with: (i) the fitting out of one additional floor and (ii) a change to the programming and layout of certain spaces on the other floors.

The fees have been set at a firm and fixed price and account for 8% of the total value of the works, which is in line with market prices.

No use was made of this agreement in 2019.

Neuilly-sur-Seine, 4 March 2020

The Statutory Auditors

PricewaterhouseCoopers Audit

Didier Kling & Associés  
A member of Grant Thornton

Olivier Auberty

Vincent Frambourt

Guillaume Giné



# REQUEST FOR THE MAILING OF DOCUMENTS AND LEGAL INFORMATION

## COMBINED GENERAL MEETING OF 24 APRIL 2020

Every shareholder can, from the notice of the meeting and up to five days before the meeting, **until Friday 17 2020**, 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, CTO – 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.

I ☐ Mr ☐ Mrs

Surname:.....

First Name:.....

Address:.....

Owner of:..... registered share(s)

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

.....<sup>1</sup>

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 2019 Universal 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: .....2020

(signature)

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

The Universal 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 reports from the Statutory Auditors, the 2019 annual financial report and the Statement of Non-Financial Performance. 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: <https://finance.hermes.com>

