



SUPERVISORY BOARD RULES OF PROCEDURE

Version n°15 - modified on November 26th, 2021

Adopted by the Supervisory Board on July 28th, 2009

These rules of procedure are reviewed on a regular basis to adapt them to legislative and regulatory changes and to take into account the recommendations of the French Financial Markets Authority (*Autorité des marchés financiers*) and the revisions of the Afep-Medef Code

The successive revisions since its adoption are listed in annex.

This document is a free translation into English of the "Règlement intérieur du Conseil de surveillance", 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.



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PREAMBLE

These rules of procedure define the terms and conditions of the structure and functioning of the Supervisory Board of Hermès International (hereinafter the “Board”) and its Committees and supplement the provisions set out in applicable laws and the Articles of Association (an extract of the Articles of Association is attached to this report).

Their purpose is to enhance the quality of the Board’s work by promoting the application of good corporate governance principles and best practices, in the interests of ethics and greater effectiveness.

The Supervisory Board officially adopted the Afep-Medef recommendations on corporate governance in 2009, as it deemed these recommendations to be entirely in keeping with the Group’s corporate governance policy. This framework includes the Afep-Medef Corporate Governance Code for listed companies and the application guide of the High Committee on Corporate Governance (HCGE), which explains the recommendations of this code. The recommendations issued by the Financial Markets Authority (AMF) are also taken into account in its annual report on corporate governance and Senior Executive compensation of listed companies

With each revision of the Afep-Medef Code, the CAG-CSR Committee performs an exhaustive comparative analysis of the Company’s application of the Afep-Medef Code’s recommendations, and reports to the Supervisory Board. These periodic reviews, as well as monitoring of market practices and analyses, make it possible to adapt the systems in force each year with the aim of constant improvement.

The recommendations of the AFEP-MEDEF code were, for the most part, written with reference to public limited companies with a board of directors. Consequently, adaptations of the recommendations may be made - as explicitly provided for in the code - to take account of the specific features of limited partnerships with shares (société en commandite par actions).

These Rules of Procedure apply to each member of the Board as well as to all participants in the meetings of the Supervisory Board.

These Internal Regulations are strictly internal and do not form part of the Company's Articles of Association. Consequently, they may not be invoked by shareholders or third parties against the Company's officers, the Company or any of the Group's companies.

The full text of the Supervisory Board’s rules of procedure is made available at each update at company website.

1. THE SUPERVISORY BOARD, A COLLEGIAL BODY

1.1. Role and responsibilities of the Supervisory Board

1.1.1. General responsibilities

The organisation of governance within Hermès International, limited partnership with shares, follows the principle of the separation of powers. Executive powers are exercised by the Executive Management and control powers by the Supervisory Board. Hermès International’s governance therefore has a structure that is by nature dissociated.



The Supervisory Board, a collegial body, is an offshoot of the General Meeting of Limited Partners. The appointment of members of the Board (except for the employees representatives) is solely that body's responsibility.

The role of the Supervisory Board includes the following aspects:

- an obligation to audit corporate transactions in a similar way to the Statutory Auditors: audit of the parent company and consolidated financial statements and respect for equality between shareholders;
- a role in controlling the Company's management.

As such, the Supervisory Board is responsible for:

- determining the allocation of net income to be put to the General Meeting each financial year;
- preparing the report on corporate governance;
- preparing a report to the General Meeting on the performance of its duties;
- authorizing or downgrading related-party agreements;
- authorizing the Executive Management to grant sureties, endorsements and guarantees;
- establishing the compensation policy for the members of the Supervisory Board;
- deliberating on the actual compensation of the Executive Chairmen;
- approving any proposed new wording of certain clauses of the Articles of Association of Émile Hermès SAS.

It must be consulted by the Active Partner regarding:

- strategic options;
- consolidated operating and investment budgets;
- proposals to the General Meeting pertaining to the appropriation of share premiums, reserves or retained earnings; and
- setting the compensation policy for the Executive Chairmen.

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 the case of the Executive Chairman's resignation, on reducing the notice period.

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.

The law does not confer any other powers on the Supervisory Board. Consequently, it may neither appoint or dismiss the Executive Chairmen, nor set their compensation policy.

The Afep-Medef Code qualifies the Chairman and the members of the Supervisory Board as "non-executive corporate officers"

1.1.2. Responsibilities with regard to regulated agreements and current agreements

1.1.2.1. Prior authorisation of regulated agreements

Any agreement made directly or through an intermediary between the Company and:

- one of its Executive Chairmen,



- one of the members of the Supervisory Board, or
- one of its shareholders holding more than 10% of the voting rights or, in the case of a corporate shareholder, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code (Code de commerce)

must be submitted for prior authorisation by the Board.

These provisions apply to agreements in which one of these persons is indirectly interested.

Agreements entered into directly or through an intermediary between the Company and a company are also subject to prior authorisation by the Supervisory Board if:

- one of its Executive Chairmen, or
- one of the members of the Supervisory Board,

is an owner, partner with unlimited liability, executive chairman, director, general manager, member of the management board or member of the supervisory board of the company.

The foregoing provisions shall not apply to agreements relating to current operations and entered into under normal conditions, nor to agreements entered into between two companies, one of which holds, directly or indirectly, the entire capital of the other, after deduction of the minimum number of shares required by law, if any. These agreements are communicated by the interested party to the Chairman of the Supervisory Board, who communicates the list of these agreements to the members of the Board and to the Statutory Auditors.

In accordance with the provisions of the French Commercial Code (Code de commerce), authorisation decisions of the Supervisory Board are all supported by justification and are published on the financial website, at the latest at the time they are entered into.

A review of the related-party agreements entered into during previous financial years and whose execution has continued over time is carried out by the Supervisory Board each year in accordance with the provisions of the French Commercial Code (Code de commerce).

1.1.2.2. Procedure for monitoring ongoing and standard agreements

Pursuant to the provisions of Article L. 22-10-12 of the French Commercial Code (Code de commerce), the Company has put in place a procedure to regularly assess whether agreements relating to current transactions and concluded under normal conditions meet these conditions.

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.

A “Current Agreements Committee” tasked with conducting the evaluation has been established. This Committee draws up an annual report which is presented to the Supervisory Board. The Supervisory Board decides on any further action to be taken.



1.1.3. Supervisory Board assignments not covered by the articles of association with regard to governance matters

1.1.3.1. Approval of the acceptance by Executive Chairmen of any office in a listed company

The Supervisory Board approves or rejects the acceptance of any new office in a listed company by an Executive Chairman.

1.1.3.2. Others assignments of the Supervisory Board

The Supervisory Board is informed about market developments, the competitive environment and the most important aspects facing the company, including in the area of social and environmental responsibility.

The Supervisory Board regularly reviews, via the Audit and Risk Committee, the opportunities and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly.

The Supervisory Board is regularly informed about the financial situation, the cash position as well as the company's commitments.

The Supervisory Board ensures the implementation of a mechanism to prevent and detect corruption and influence peddling. It receives all of the information needed for this purpose.

The Supervisory Board also ensures that the executive officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women in the governing bodies.

The Supervisory Board considers what the desirable balance of its membership and that of the Board committees should be and defines its diversity policy (see § 2.2 "Diversity policy").

1.2. Conduct of the Supervisory Board

1.2.1. Organization of meetings

The procedures for convening meetings and participating therein, and the quorum and majority requirements are those stipulated by law and the Articles of association.

1.2.1.1. Number of meetings - Duration of meetings

The Board meets at least four times per year and whenever required by the Company's best interests or operations.

The duration of each meeting shall be sufficient to properly review all business on the agenda.

The schedule of Board meetings other than special meetings is drawn up from one year to the next, on the proposal of its Chairman.



1.2.1.2. Agenda - Convening - Minutes

The Supervisory Board is convened by its Chair, who sets the agenda of the meeting in writing or verbally, wherever indicated in the notice of meeting.

An attendance register is kept that lists the names of the members present physically or by means of videoconference or telecommunication, or represented or absent. Proxies are appended to the attendance register.

A file containing background documents related to issues on the agenda is sent via Herboard to each Board member, whenever possible, two weekends before each meeting – with a minimum period of 48 hours – except in cases of urgency or the need to ensure complete confidentiality.

Minutes are drawn up by the Board Secretary at the end of each meeting and sent, after validation by the chairman, to all Board members, who are invited to comment. Any comments are discussed at the next Supervisory Board meeting, which approves the final text of the minutes of the previous meeting.

1.2.2. Participation means

For the purposes of calculating the quorum and majority, members who participate in the meeting by videoconference or telecommunication means allowing their identification and guaranteeing their effective participation by the use of technical means allowing the continuous and simultaneous retransmission of the deliberations, under the conditions provided for by the regulations in force, are deemed present. This provision is without prejudice to their right to be represented at Board meetings under the conditions provided for by the regulations in force.

The attendance register for Supervisory Board meetings must indicate, where applicable, participation by videoconference or by means of telecommunication of the Board members concerned. The minutes of the Supervisory Board meeting must indicate the names of the members participating in the meeting by videoconference or by means of telecommunication.

The minutes must also mention any technical incident relating to a videoconference or by means of telecommunication where this incident disrupted the meeting.

1.2.3. Joint Council meetings

Whenever it considers it necessary, the Executive Management of Hermès International or the Chairman of the Supervisory Board of Hermès International calls a Joint Council between the Executive Management Board of Émile Hermès SAS and the Supervisory Board of Hermès International.

The Joint Council is an institution designed to enable extensive consultation between the Executive Management Board of the Active Partner, an internal body needing to have knowledge of the main aspects of Hermès International's Executive Management, and the Supervisory Board, an emanation of the shareholders.



2. SUPERVISORY BOARD MEMBERS

2.1. Composition, information and responsibilities of the Supervisory Board

2.1.1. Selection Process - Applicable Principles

2.1.1.1. Members of the Supervisory Board appointed by the General Meeting

The selection process for Supervisory Board members appointed by the General Meeting is as follows:

- the Supervisory Board sets objectives for changes in its composition:
 - o on the basis of a prior assessment of its needs in terms of skills and expertise,
 - o taking into account the principle of seeking a balanced composition within the Board, and
 - o in accordance with the diversity policy described in article 2.1.2 below;
- a recruitment advisor is tasked with identifying candidates (male and/or female) in addition to those proposed by the Executive Management Board and Supervisory Board;
- the profiles of male or female candidates from a variety of backgrounds and likely to be interested in joining the Supervisory Board are then preselected by the recruitment advisor;
- on the basis of a detailed report and an oral presentation from the recruitment advisor, the Chairman of the Supervisory Board and a member of the CAG-CSR Committee draw up a shortlist of candidates whom they will meet individually;
- the selected candidates then meet the other members of the CAG-CSR Committee and the Executive Chairmen;
- the CAG-CSR Committee discusses the results of these interviews and submits its recommendations to the Émile Hermès SAS Executive Management Board and the Supervisory Board;

This selection is carried out:

- considering the personal and professional qualities of the candidates and ensuring that they are able to comply with the guiding principles for the performance of the duties of Supervisory Board members set out in Article 2.2.1.1 below;
- by assessing the balance of skills, experience and diversity of the members of the Board.

2.1.1.2. Employee representative Supervisory Board Members (with voting rights)

In accordance with the provisions of Article L. 225-79-2 of the French Commercial Code (Code de commerce), when the Supervisory Board is composed of more than eight members, two employee representatives must be appointed, one male and one female.

Conditions of eligibility are as follows:

- to have or have had an employment contract for at least two years with the Company or one of its direct or indirect subsidiaries having its registered office in France or abroad;
- to have a clean criminal record;
- to complete the application form prepared by the Group Works Council.

Each trade union active at Group level may submit a candidate through its union representative on the Group Works Council.

Each Social and Economic Committee may nominate one candidate by secret ballot. As an exception, companies with more than 300 employees may present two candidates (one male and one female).



Candidates submitted by representative trade union organisations and employee representative bodies are examined by the Group Works Council, which appoints two employee representatives to the Supervisory Board, one male and one female, in two rounds.

They have the same status, rights and obligations as any other member of the Supervisory Board, including confidentiality. They are required to comply with the Board's rules of procedure.

They have a time credit of 15 hours per meeting (plus meeting time) and mandatory training time (see 2.1.2.1. below) to exercise their mandate.

2.1.1.3. Representative of the Social and Economic Committee (without voting rights)

In accordance with the provisions of the French Labour Code (Code du travail), a full member of the Social and Economic Committee appointed by the latter attends all meetings of the Supervisory Board in an advisory capacity (meetings and site visits).

The Social and Economic Committee representative receives the same documents as those provided to the members of the Supervisory Board and at the same time. During the meeting, he or she has the opportunity to take the floor and give opinions on the items on the agenda.

2.1.2. Diversity policy

The Supervisory Board considers the desirable balance of its composition and that of its committees, particularly in terms of diversity (representation of women and men, nationalities, age, qualifications and professional experience, etc.). It also takes into account the structure of its shareholding.

It shall make public in the corporate governance report a description of the diversity policy applied to its membership as well as a description of the objectives of this policy, its implementation and the results obtained during the past financial year.

2.1.3. Number of Supervisory Board members

The Supervisory Board is composed of between three and 15 members (not including members representing employees). These members are chosen from among shareholders who are neither Active Partners nor legal representative of the Active Partner nor Executive Chairmen (Article 18.1 of the Articles of Association).

They are appointed by the Ordinary General Meeting.

When appointments to the Supervisory Board come up for renewal, the number of Supervisory Board members is set by a decision adopted by the Active Partner.

The member(s) of the Supervisory Board representing employees is/are not counted in determining the minimum and maximum number of members of the Supervisory Board, nor in calculating the gender mix of the Board or the proportion of independent members.

2.1.4. Co-optation

In the event of a vacancy, the Supervisory Board may appoint a new member of the Board on a provisional basis, subject to ratification by the next Ordinary General Meeting, for the remaining term of office of his or her predecessor.



2.1.5. Independence of Board members

Members of the Board are independent if they have no relationship of any kind whatsoever with the Company, its group or its management that is liable to compromise the exercise of their freedom of judgement in any way.

2.1.5.1. Independence criteria

The independence criteria applicable to Board members are as follows:

- they must comply with the criteria set out in the AFEP-MEDEF Corporate Governance Code;
- comply with an additional criterion specific to Hermès International: not to be a partner or member of the Executive Management Board of Émile Hermès SAS, Active Partner,

2.1.5.2. Procedure for qualifying members as independent

The qualification of a Board member as independent is discussed each year by the CAG-CSR Committee, which draws up a report on this matter and submits it to the Board.

Each year, in the light of this report, the Board reviews the situation of each member with regard to the independence criteria.

The Board is required to report the findings of its review to the shareholders in the annual report.

2.1.5.3. Proportion of independent Board members

At least one-third of the Board members must be independent members. Employee representative Board members are not included in the calculation of this proportion.

This proportion is consistent with the recommendations of the Afep-Medef Code for controlled companies within the meaning of the French Commercial Code (Code de commerce).

2.1.6. Term of office

The term of office of the members of the Supervisory Board is three years (Article 18.2 of the Articles of Association).

This duration may be less:

- at the time of first appointment, in accordance with the principle of replacing one-third of the Supervisory Board, as set out in Article 18.2 of the Articles of Association;
- if there is a renewal, in accordance with the rules relative to the duration of the term of office for independent members or to the age limit.

The Company has introduced, in accordance with the recommendations of the Afep-Medef Code, the practice of replacing one-third of Supervisory Board members appointed by the General Meeting each year.



2.1.7. Age limit

2.1.7.1. Collective age limit

No person over the age of 75 may be appointed to the Supervisory Board if their appointment would result in more than one-third of Board members being over that age (article 18.3 of the Articles of Association).

2.1.7.2. Individual age limit

As an internal rule, no one may be appointed or reappointed as a member of the Supervisory Board if they have reached the age of 80.

2.1.7.3. Age Limit for Chairmen and Vice-Chairmen

The Chairman and Vice-Chairmen are not subject to any age limit other than the age limit applicable to all Board members (collective and individual).

2.1.8. Chairman of the Supervisory Board

2.1.8.1. Appointment of the Chairman

The Supervisory Board elects a Chairman (a natural person) from among its members (Article 19.2 of the Articles of Association).

2.1.8.2. Chairman duties

2.1.8.2.1. Relations with the Company's other bodies and shareholder dialogue

In relations with the other bodies of the Company and with third parties, the Chairman is the only person authorized to act on behalf of the Board and to speak on its behalf, except in exceptional circumstances.

The Chairman ensures proper coordination with Émile Hermès SAS, Active Partner, in particular by attending meetings of the Management Board and chairing meetings of the Joint Council. He organizes his activities to ensure that he is available and can put his experience to work for the Company. He helps to promote the Company's values and image, both within and outside the Group.

He ensures that the quality of shareholder relations is maintained in close coordination with the actions taken in this area by the Executive Management. In this respect, the Chairman of the Supervisory Board is responsible for dialoguing with shareholders on behalf of the Supervisory Board, with a view to:

- explaining the positions taken by the Supervisory Board in its areas of competence (particularly with regard to governance and Senior Executive compensation), which were previously the subject of a communication;
- ensuring that shareholders receive the information they expect from the Company.

The Chairman may seek the assistance of internal experts in these areas (in particular the Director of Financial Communications and Investor Relations or the Director of Corporate law and Stock Exchange Regulations, Supervisory Board Secretary and Compliance Officer).

The Chairman must report annually to the Supervisory Board on the execution of his or her duties.



No additional compensation is allocated to the Chairman for executing these duties.

2.1.8.2.2. Operation and organization of the Board's work

The Chairman is the guardian of the proper functioning of the Supervisory Board. In this capacity:

- with the assistance of the CAG-CSR Committee, and with the approval of the Board and the General Meeting of Shareholders when appropriate, he strives to build an effective and balanced Board, and to manage the replacement and succession processes concerning the Board and the appointments it has to deal with;
- he may attend all Committees and may add to their agenda any subject he considers relevant;
- he ensures that the members of the Board are provided in good time with the documentation and information they need to perform their duties, in a clear and appropriate form.

The Chairman organizes and directs the work of the Supervisory Board in order to enable it to carry out all its duties. In this respect, he:

- convenes Supervisory Board meetings, sets the agenda and chairs the meetings;
- organizes the work of the Supervisory Board, leads its discussions and reports to the General Meeting, and coordinates its work with that of the specialized committees
- ensures the quality of exchanges and the collegiality of the Board's decisions;
- ensures that the Board and its Committees function properly in accordance with the principles of good governance and that the members of the Board are in a position to fulfill their duties;
- presides over and directs the debates of the shareholders' meetings;
- deals with cases of conflict of interest that may arise within the Supervisory Board in the context of the procedure for managing situations of conflict of interest described in these rules of procedure.

2.1.9. Supervisory Board Vice-chairmen

2.1.9.1. Vice-chairmen appointments

The Supervisory Board elects two Vice-Chairmen from among its members (Article 19.2 of the Articles of Association).

2.1.9.2. Duties of the Vice-Chairmen

In practice, the vice-chairmen are the chairmen of one of the two committees.

In accordance with the Articles of association, in the absence of the Chairmen, the older Vice-Chairman shall assume the duties of Chairman.

2.1.10. Supervisory Board Secretary

2.1.10.1. Appointment of the secretary

The Supervisory Board appoints a Board Secretary.

2.1.10.2. Duties of the Secretary

The Board Secretary is responsible for all tasks relating to the proper functioning of the Board and its Committees, including the organization of relations between the company, Board members and the Chairman. He ensures the validity of decisions taken by the Board and the conformity of its functioning.



The Board Secretary prepares all documents required for Board meetings and organizes the provision of all documentation to members of the Supervisory Board and other participants in meetings.

In addition, the Board Secretary welcomes new members of the Board by setting up an induction programme, which is the responsibility of the CAG-CSR Committee.

The Board Secretary is authorized to issue and certify copies or extracts of the minutes.

2.1.11. Other participants

The following persons are subject to the same rules of ethics, confidentiality and professional conduct as the members of the Supervisory Board.

2.1.11.1. Statutory Auditors

The main Statutory Auditors are invited to attend all Supervisory Board meetings.

2.1.11.2. Invited persons

Persons who are not Board members – and notably members of the Executive Committee – may be invited to attend Board meetings at the Chairman’s discretion, to provide any information that members of the Board might require to reach a full understanding of matters on the agenda that are technical in nature or require special expertise.

2.1.12. Information of the Supervisory Board

2.1.12.1. Information and documentation

In order to contribute effectively to Supervisory Board meetings and to enable the Board to make informed decisions, Council members are entitled to receive all the information and documents necessary for the performance of their duties, insofar as they are useful for decision-making and related to the powers of the Board.

Before each Supervisory Board meeting, Board members shall receive in good time, with reasonable notice and subject to confidentiality requirements, a file on agenda items that require prior analysis and consideration.

At each Board meeting, the Executive Management informs its members of the main facts and significant events relating to the life of the Group that have occurred since the previous Board meeting.

Between scheduled Board meetings, members receive all important information pertaining to the Company on a regular basis and are notified of any event or change with a material impact on transactions or information previously disclosed to the Board.

The members of the Supervisory Board receive press releases, shareholder information (Universal Registration Document, letters to shareholders, etc.) and the daily press review.

Board members have a duty to request any information that they deem to be useful and essential to carry out their duties.



2.1.12.2. Digital platform « Herboard »

The Supervisory Board has a secure digital Board management platform (hosted in France) .

This solution is used in particular to:

- organise Board and committee meetings (scheduling of meetings, sending of meeting invitations, tracking of attendance);
- provide highly secure and paperless Board documents relating to Board and committee meetings and to the Supervisory Board's master file in real time (via a username, password and confirmation code sent via SMS);
- manage document permissions and track document use;
- circulate minutes and reports.

Herboard is also available to the Statutory Auditors and the representative of the Social and Economic Committee for documents relating to Board meetings.

2.1.13. Training of Supervisory Board members

2.1.13.1. Induction programme

The CAG-CSR Committee set up an induction and training programme for new Board members, which entails:

- presentation by the Board Secretary:
 - o the SCA legal form and the role of the members of the Supervisory Board,
 - o confidentiality rules,
 - o the Group's organisation chart,
 - o the Hermès Sellier divisional organisation chart,
 - o minutes of the Supervisory Board for the last three financial years together with those of the current year;
- meetings with the Director of sustainable development, the Group Director of Human Resources, the General Counsel and all members of the Executive Committee (for external members);
- receipt of a new Supervisory Board member integration kit of legal and governance documents containing:
 - o the Supervisory Board's permanent file,
 - o the IFA Director's vade-mecum (2014);
- enrolment in a three-day in-house "Mosaïque" immersion training session with employees (for external members);
- briefing on the Company's ownership structure and Active Partner (Émile Hermès SAS);
- IFA trainings (particularly for new members).

Each Board member may receive additional education on the special attributes of the Group, its organization and its métiers, and in the areas of accounting, finance or corporate governance.

In addition, in accordance with Article L. 225-30-2 of the French Commercial Code (Code de commerce), the members of the Supervisory Board representing employees receive training adapted to the performance of their duties, at the expense of the Company. This training must ensure that they acquire and improve the knowledge and techniques required to carry out their duties. It mainly concerns the role and functioning of the Supervisory Board, the rights and obligations of the members of the Supervisory Board and their responsibilities, as well as the organisation and activities of the Group.



This training period, which may not be less than 40 hours per year, is not deducted from the hours credited. A portion of this training time is carried out within the Group but most of it is carried out by an external training organisation (in particular the IFA). After obtaining the favourable opinion of the members concerned, the Supervisory Board determines the training programme for the year at the beginning of each year.

2.1.13.2. Major annual themes – Site visits

Each year at least two major annual themes are presented to the Board (detailed presentations on a specific or general theme of the group's activity are made by the management team concerned).

The Board also devotes one of its meetings to visiting a site in order to gain a deeper understanding of a particular subsidiary or to gain a concrete insight into a field of activity of the group.

2.2. Obligations of Supervisory Board members

2.2.1. Ownership of a minimum number of the Company's shares by members of the Board

All Board members must own 100 Hermès International registered shares during the year in which they are appointed. The compensation that members of the Board receive may assist in this acquisition. This obligation does not apply to the Employee representative Board members.

2.2.2. Ethics - Deontology - Confidentiality

2.2.2.1. Performance of duties: guiding principles

The Supervisory Board is a collegial body in which decisions are taken collectively.

Members of the Supervisory Board must, under all circumstances, act in the Company's corporate interest. They must, whatever their mode of appointment, consider themselves representatives of all the shareholders, and must also take into account the expectations of the other stakeholders.

By accepting the mandate entrusted to them, each member of the Supervisory Board undertakes, in particular

- to devote all necessary time to the study of the issues dealt with by the Board and, where applicable, the Committee of which he/she is a member;
- to request any additional information that he/she considers useful from the Chairman of the Board or the Board Secretary;
- to be familiar with and comply with the legal and regulatory provisions relating to his function, the applicable codes and good governance practices, as well as the rules specific to the company resulting from its Articles of Association and the Internal Regulations of the Supervisory Board;
- to freely form his or her own opinion before making any decision, having only the Company's interests in mind. In this respect, he/she shall ensure that his/her questions and opinions are explicitly recorded in the minutes of the deliberations;
- to participate actively in all meetings of the Board and the specialised committees of which he is a member, unless prevented from doing so
- to attend General Meetings of Shareholders;
- to formulate all proposals aimed at improving the working conditions of the Board and its Committees;



- to ensure that no valid commitment made in respect of duties previously performed in France or abroad contravenes the performance of his duties (e.g. potential conflict of interest, non-competition clause).

In the event that a member of the Supervisory Board is no longer in a position to perform his duties in accordance with the Internal Regulations, either through his own fault or for any other reason, including those relating to the Company's own rules, he must inform the Chairman of the Supervisory Board, seek solutions to remedy the situation and, if he fails to do so, draw the personal consequences with respect to the performance of his duties.

Furthermore, a direct or indirect link to a person with interests competing with those of the Company may, in addition to the conflict of interest it creates, also raise difficulties with regard to competition rules. In this respect, a member of the Supervisory Board may not, during his or her term of office, accept a corporate office or a management or consultancy position with a person whose interests are in competition with those of the Company without the prior authorisation of the Board. This prior authorisation also applies to companies in which the group has a significant stake or, more generally, to companies with which the group collaborates in a significant way.

The members of the Supervisory Board have, both individually and collectively, the necessary expertise, experience, skills, understanding and personal qualities, including professionalism and integrity, to properly perform their duties in ensuring effective governance and supervision.

2.2.2.2. Confidentiality

All members of the Board and all persons participating in the work of the Board are bound by an absolute obligation of confidentiality with regard to the content of the debates and deliberations of the Board and its Committees. The same applies to information and documents presented or communicated to him or her or, more generally, of which he or she has knowledge, in any form whatsoever, whether or not they have been presented as confidential.

Any member of the Board, as well as any person called upon to attend Supervisory Board meetings, must therefore consider themselves bound by a genuine professional secrecy which exceeds the simple obligation of discretion provided for by the French Commercial Code (Code de commerce), and in this respect

- he/she may not use all or part of the information or documents or pass them on to a third party for any reason whatsoever. In particular, he/she shall refrain from using for his/her personal profit or for the profit of anyone else the privileged information to which he/she has access. In particular, when he/she holds information about the company that has not been made public, he/she shall refrain from using it to carry out transactions in the company's securities or to have them carried out by a third party;
- he/she undertakes not to express himself/herself individually outside the internal deliberations of the Supervisory Board on the issues discussed at the meeting and on the meaning of the opinions expressed by each member/participant. As a member of the Supervisory Board, he/she is also required not to communicate externally, in his/her capacity as such, in particular with regard to the press and the media in all their forms;
- He/she shall take all useful measures to ensure that this confidentiality is preserved, in particular to secure files or documents communicated to him/her. Each member of the Supervisory Board is bound by a duty of vigilance with regard to the conservation, use and, where applicable, the return of tools, documents and information made available.



In the event of loss or accidental disclosure of documents, files or electronic media containing confidential information, the person concerned must notify the Chairman and the Board Secretary of without delay.

2.2.2.3. Prevention of insider misconduct - Stock market ethics - Abstention obligations - Reporting obligations

The members of the Supervisory Board are registered on the Company's Permanent Insider List and, in this capacity, must comply with the provisions of the Hermès Group's Code of Ethics for Securities Dealers, which describes the measures implemented within the Hermès Group to prevent market abuse of Hermès International shares.

They are also aware of the rules governing the reporting of transactions in Hermès International shares by senior executives and persons with close ties to them. They undertake to comply with the obligations imposed on them by the regulations in force.

In addition, Supervisory Board members are required to register the Hermès International shares that they hold when they take office and those that they acquire during their term of office.

2.2.2.4. Business relationships, conflicts of interest and personal statements

Each member of the Supervisory Board shall at all times maintain his or her independence of mind, analysis, assessment and action and shall endeavour to avoid any conflict of interest to this end.

A conflict of interest may be defined as a situation in which a member of the Supervisory Board has a personal interest of such a nature as to influence or appear to influence the impartial and objective performance of his or her duties. In order to effectively guard against the risk, the prevention of conflicts of interest should be extended to apparent conflicts of interest, as the latter may also be detrimental to the image of the Company and the confidence it inspires.

2.2.2.4.1. Potential conflict of interest situations

In addition to the regime of regulated agreements (see § 1.1.2.1), the following are also likely to constitute situations of conflict of interest:

- any business relationship/exceptional transaction between:
 - o one of the companies that the Company controls within the meaning of Article L. 233-16 of the French Commercial Code (Code de commerce), on the one hand, and one of the members of the Supervisory Board or a party related to one of the members of the Supervisory Board, on the other. This also applies to business relationships/exceptional transactions in which one of these persons is indirectly interested;
 - o one of the members of the Supervisory Board or a related party of one of the members of the Supervisory Board and :
 - corporate officers or members of the Executive Committee,
 - major shareholders (+ 5%),
 - natural or legal persons (or their managers) who are significant suppliers, customers or partners,
 - natural or legal persons (or their managers) who carry out an activity that may be considered to be in competition with those of the Company or any of its subsidiaries,
 - of the Company or of one of the companies that the Company controls within the meaning of Article L. 233-16 of the French Commercial Code (Code de commerce);



- the holding by one of the members of the Supervisory Board or by a party related to one of the members of the Supervisory Board, of interests in companies that the Company controls within the meaning of Article L. 233-16 of the French Commercial Code (Code de commerce);
- the exercise of a new corporate mandate - whether in a listed or unlisted entity, French or foreign, or any participation in the specialised committees of a corporate body, or any other new function - in an entity :
 - o with interests competing with those of the Company; or
 - o in which the group has a significant interest; or
 - o with which the group collaborates in a significant way;
- any situation in which a member of the Supervisory Board is made aware of, or is likely to be made aware of, confidential information in the exercise of his or her mandate:
 - o concerning a company of which he/she/an affiliated party is the manager or in which he/she/an affiliated party has a function or in which he/she/an affiliated party has an interest of any kind, or
 - o concerning the Company or one of the companies controlled by the Company within the meaning of Article L. 233-16 of the French Commercial Code (Code de commerce), which may affect the activity of a company of which he/she is a director or in which he/she has a function or in which he/she has an interest of any kind.

At the end of his/her term of office, the member of the Supervisory Board must respect a minimum period of three years before applying for and/or accepting a mandate in companies conducting activities competing with the group and/or in companies in which the group has a significant stake.

2.2.2.4.2. Prevention and management of conflicts of interest

The members of the Supervisory Board acknowledge that they are fully aware of the system of regulated agreements and the obligations to which they are subject in this respect.

Each member informs the Supervisory Board of any conflict of interest in which he or she may be involved. In the event of the occurrence of one of the hypotheses referred to in § 2.2.2.4.1. above, the member concerned must immediately notify the Chairman of the Supervisory Board, who then informs the CAG-CSR Committee so that the latter, on the basis of its analysis of the declared situation, can issue an opinion. This opinion is then submitted to the Supervisory Board which, if it decides to follow it, is then notified to the person concerned by the Chairman of the Board. The Board's decision is recorded in the minutes of the meeting. The member of the Supervisory Board concerned shall refrain from attending the debates and from participating in the vote on the corresponding deliberation as well as in any decision on the matters concerned.

In particular, in the event that the above-mentioned assumption of a new corporate office arises, the member concerned shall inform the Chairman of the Supervisory Board of his intention to accept a new corporate office or any participation in the specialised committees of a corporate body, or any new position so that the Supervisory Board, on the proposal of the Corporate Governance and Responsibility Committee, can decide whether such an appointment is compatible with the mandate of a member of the Supervisory Board in the Company.

Each member of the Supervisory Board must also draw up a signed declaration stating whether or not there is a conflict of interest, even a potential one:

- at the time of his or her appointment;
- each year when the Universal Registration Document is prepared.



Each member of the Supervisory Board undertakes to inform the Board Secretary as soon as possible of any change in his or her personal situation (change of address, position held, criminal, civil or administrative conviction, etc.).

3. EVALUATION OF THE SUPERVISORY BOARD BY ITS MEMBERS

The Board regularly conducts an assessment of its performance, covering the various points of its mission and commitments.

The assessment is carried out as follows:

- once a year, the Supervisory Board discusses its performance;
- a formal evaluation is carried out every three years. It is implemented, under the direction of the CAG-CSR Committee, with the help of the Board Secretary;
- the shareholders are informed each year in the report on corporate governance of the performance of the assessments and, where applicable, the follow-up given to them.

The evaluation must have three objectives (Article 10.2 of the Afep-Medef Code updated in January 2020):

- review the Board's operating procedures;
- check that key issues are properly prepared and discussed;
- measure the effective contribution of each Board member to the work of the Board by virtue of his or her skills and involvement in discussions.

4. SPECIALISED COMMITTEES OF THE SUPERVISORY BOARD

The Board may create specialised Board Committees, to which it appoints members and the chairman. These Committees act under the collective and exclusive responsibility of the Supervisory Board. Their role is to research and to prepare for certain deliberations of the Board, to which they submit their opinions, proposals or recommendations. Their remit does not reduce or limit the powers of the Board and the opinions, proposals or recommendations made are not binding on the Board.

Two Committees have been created to date:

- the Audit Committee on 26 January 2005, whose terms of reference were subsequently expanded by the Board and renamed the Audit and Risk Committee on 19 March 2019;
- the Compensation Committee on 26 January 2005, subsequently assigned new duties and responsibilities and renamed the Compensation and Appointments Committee on 18 March 2009 then the Compensation, Appointments and Governance (CAG) Committee on 20 January 2010 and CSR on 16 November 2018 or "CAG-CSR Committee".

The rules applying to the composition, duties and responsibilities and operating procedures for each specialised committee are set out in rules of procedure proposed by that committee and approved by the Supervisory Board.

5. COMMON PROVISIONS

5.1. Compensation of Board members

The members of the Supervisory Board, the Audit and Risks Committee and the members of the RNG-RSE Committee receive compensation, the total amount of which is voted by the Shareholders' Meeting



and the allocation principles of which are determined by the compensation policy established by the Supervisory Board under the conditions provided by law.

The effective amount of their compensation is determined by the Supervisory Board at the first meeting of the year following the year for which the compensation is paid.

5.2. Rules governing reimbursement of accommodation and travel expenses

Supervisory Board members are reimbursed for travel (from their principal residence), accommodation and restaurant expenses incurred to attend the Supervisory Board and Committee meetings, upon presentation of substantiating documents or receipts.

The Board determines applicable the policy for the reimbursement of expenses which should be based upon the rules applicable to Group employees. This policy lists the eligible transportation classes and the limits for expenses incurred for each meeting of the Supervisory Board, of the Audit and Risk Committee and of the CAG-CSR Committee.

These reimbursements apply only to meetings of the Board and of the Committees, and do not in any case apply to General Meetings.



APPENDIX 1: Revisions to the Internal Rules of Procedure of the Supervisory Board

Version	Date	Nature of changes made
N°1	March 18, 2009	
N°2	March 24, 2010	<ul style="list-style-type: none"> • Clarification of the minimum number of shares to be held in registered form; • Addition of an article relating to specialized committees.
N°3	January 26, 2011	<ul style="list-style-type: none"> • Deletion of the articles relating to ethics which are moved to a specific charter; • Addition of a rule providing that the acceptance by the managers of any new mandate in a listed company be submitted to the approval of the Supervisory Board.
N°4	January 25, 2012	<ul style="list-style-type: none"> • Modification of the rules governing the reimbursement of Board members' expenses to take into account the readjustment of the reimbursement scales based on the rules applicable to the Group's employees.
N°5	November 20, 2013	<ul style="list-style-type: none"> • Update of the reference to the AFEP-MEDEF code which was revised in June 2013; • Modification of the Board's evaluation procedures; • Modification of the methods for distributing directors' fees; • Application of the criterion relating to length of service (<12 years) to qualify a Board member as independent.
N°6	August 28, 2014	<ul style="list-style-type: none"> • Addition of an exemption from the 200 share ownership requirement for Board members representing employees; • Indication that Board members representing employees are not included in the calculation of the proportion of independent Board members; • Modification of the terms and conditions for the distribution of directors' fees to incorporate the principle of not awarding directors' fees to members of the Supervisory Board who will be appointed by the employees pursuant to the provisions of the Employment Security Act of June 14, 2013.
N°7	March 22, 2016	<ul style="list-style-type: none"> • Addition of a provision to encourage Supervisory Board members to participate in shareholders' meetings.
N°8	March 31, 2017	<ul style="list-style-type: none"> • Updated the reference to the Afep-Medef code that was revised in November 2016; • Clarification on the proportion of independent members; • Integration of the provisions that were included in the Supervisory Board's Code of Ethics.
N°9	9 January 26, 2018	<ul style="list-style-type: none"> • Clarification on the procedure for reporting business relationships; • Incorporation of new procedures for the distribution of directors' fees decided in June 2017.
N°10	September 11, 2018	<ul style="list-style-type: none"> • Update of the revision date of the Afep-Medef Code; • Integration of the new provisions of articles 1.4 to 1.7, 4.4, 6.2 and 19 of the Afep-Medef Code; • Addition of the new mission of the Chairman of the Supervisory Board in terms of shareholder dialogue.
N°11	January 25, 2019	<ul style="list-style-type: none"> • Updated the name of the CAG-CSR Committee; • Replaced the reference to the Management Committee with the



		<p>Liaison Committee ;</p> <ul style="list-style-type: none">• Addition of the rule that the Board is informed of the Company's financial situation, cash position and commitments.
N°12	March 19, 2019	<ul style="list-style-type: none">• Updated the name of the Audit and Risk Committee.
N°13	June 4, 2019	<ul style="list-style-type: none">• Reduction to 100 of the number of shares to be held by members of the Supervisory Board;• Replacement of the term "Directors' fees" with "Compensation of Supervisory Board members".
N°14	May 29, 2020	<ul style="list-style-type: none">• Update of the revision date of the AFEP-MEDEF Code;• Replacement of the term "Reference Document" by the term "Universal Registration Document";• Update of article 3.1. relating to the remuneration of Board members to take into account the new legal regime resulting from order n° 2019-1234 of November 27, 2019.
N°15	November 26, 2021	<ul style="list-style-type: none">• Restatement of certain current Board practices described in the Universal Registration Document.• Additions for educational purposes;• Incorporation of certain good market practices.



APPENDIX 2: Articles 18, 19, 20 of the articles of association

18 – SUPERVISORY BOARD

18.1 - The Company is governed by a Supervisory Board consisting of three to 15 members (not including employee representative members appointed pursuant to the conditions of Article 18.6 below), selected from amongst shareholders who are neither Active Partners, nor legal representatives of an Active Partner, nor the Executive Chairman. When appointments to the Supervisory Board come up for renewal, the number of Supervisory Board members is fixed by a decision adopted by the Active Partners by unanimous vote.

Supervisory Board members may be natural persons or legal entities.

At the time of their appointment, legal entities must designate a Permanent Representative who is subject to the same terms, conditions and obligations and incurs the same liabilities as if they were a Supervisory Board member in their own name, without prejudice to the joint and several liability of the legal entity they represent. The Permanent Representative serves for the same term of office as the legal entity they represent.

If the legal entity revokes its representative's appointment, it is required to notify the Company thereof forthwith by registered post, and to state the identity of its new Permanent Representative. This requirement also applies in the event the Permanent Representative should die, resign, or become incapacitated for an extended period of time.

18.2 – Supervisory Board members are appointed or their terms are renewed by the Shareholders' Ordinary General Meeting. The Active Partners may, at any time, propose that one or more new Supervisory Board member(s) be nominated.

Supervisory Board members are appointed for a term of three years. As an exception to this rule, in order to ensure that one-third of the Supervisory Board members will stand for re-election each year, the General Meeting may decide to appoint one or more Board members for one or two years, and who may be designated by drawing lots, as necessary.

18.3 – No person over the age of 75 shall be appointed to the Supervisory Board if, as a result of such appointment, more than one-third of the Board members would be over that age.

18.4 – The appointments of Supervisory Board members can be revoked by a resolution adopted by the Ordinary General Meeting only for cause, on the joint recommendation of the Active Partners, acting by unanimous consent, and the Supervisory Board.

18.5 – In the event of a vacancy or vacancies caused by the death or resignation of one or more Supervisory Board members, the Supervisory Board may appoint an interim replacement member within three months as from the effective date of the vacancy.

However, if no more than two Supervisory Board members remain in office, the member or members in office, or, in their absence, the Executive Chairman, or in their absence, the Statutory Auditor or Auditors, shall immediately call a Shareholders' Ordinary General Meeting for the purpose of filling the vacancies to bring the number of Board members up to the required minimum.

18.6 – Where the provisions of Article L. 225-79-2 of the French Commercial Code (Code de commerce) 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. The number of



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

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

A reduction in the number of Supervisory Board members, within the framework of the application of the provisions of Article L. 225-79-2 of the French Commercial Code (Code de commerce), will have no effect on the term of all Supervisory Board members representing employees, which will come to an end upon its normal expiry.

Employee representative Supervisory Board members are appointed by the Company's Group Works Council. Employee representative Supervisory Board members must be in possession of an employment contract, for at least the past two years, 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, employee representative Supervisory Board members are not required to be shareholders.

18.7 – All Supervisory Board members must comply with the Supervisory Board rules of procedure.

19 - DELIBERATIONS OF THE SUPERVISORY BOARD

19.1 – The Supervisory Board elects a Chairman, who is a natural person, and two Vice-Chairmen, from among its members.

It appoints a secretary who may be, but is not required to be, a Supervisory Board member.

If the Chairman is absent, the older of the two Vice-Chairmen acts as Chairman.

19.2 – The Supervisory Board meets when convened by its Chairman or by the Executive Management, whenever required for the Company's best interest but no less than twice per year, at the Company's registered office or at any other place specified in the notice of meeting.

Notices are served by any means providing legally valid proof in business matters, at least seven business days before the meeting. This period of time may be shortened by unanimous approval of the Chairman or a Vice-Chairman of the Supervisory Board, the Active Partners and the Executive Management. Any member of the Supervisory Board may give a proxy to one of their colleagues to represent them at a Board meeting, by any means providing legally valid proof in business matters. Each member may hold only one proxy during a given meeting. These provisions are applicable to the Permanent Representative of a legal entity that is a member of the Supervisory Board.

The Supervisory Board is duly convened only if a quorum consisting of at least half of its members is present or represented.

Resolutions are adopted by a majority of the votes of members present or represented. However, the Supervisory Board must approve or reject any proposed new wording of certain clauses of the Articles of Association of Émile Hermès SARL by a three-quarters majority of members present or represented,



in accordance with the stipulations of the Article entitled “Responsibilities and Powers of the Active Partners”.

Supervisory Board members who participate in the meeting by video-conferencing or telecommunications means that enable them to be identified and effectively to participate in the meeting through the use of technology providing for continuous and simultaneous transmission of discussions are deemed to be present for purposes of calculating the quorum and majority, except at Supervisory Board meetings convened for the review and verification of the annual report and consolidated and parent company financial statements. The Supervisory Board defines the conditions and procedures for using video-conferencing or other telecommunications means when applicable. The Executive Management must be convened to Supervisory Board meetings and may attend such meetings, but it does not have the right to participate in the discussion and to vote.

19.3 – The deliberations of the Supervisory Board are recorded in minutes, which are entered in a special initialled register and signed by the Chairman and the secretary.

20 – AUTHORITY OF THE SUPERVISORY BOARD

20.1 – 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 as 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.

20.2 – The Supervisory Board submits to the Active Partners its reasoned opinion:

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

20.3 – Each year, the Supervisory Board determines the proposed allocation of profits to be submitted to the General Meeting.

20.4 – The Supervisory Board approves or rejects any proposed new wording of certain clauses of the Articles of Association of Émile Hermès SARL in accordance with the stipulations of the Article entitled “Responsibilities and Powers of the Active Partners”.

20.5 – The Active Partners must consult the Supervisory Board prior to taking any decisions concerning:

- ◆ strategic options;
- ◆ consolidated operating and investment budgets; and
- ◆ proposals to the General Meeting pertaining to the appropriation of share premiums, reserves or retained earnings.

20.6 – Each year, the Supervisory Board presents a report to the Shareholders’ Annual Ordinary General Meeting in which it comments on the Company’s management and draws attention to any inconsistencies or inaccuracies identified in the financial statements for the year.

This report, together with the Company’s balance sheet and a list of its assets and liabilities, is made available to the shareholders and may be consulted at the Company’s registered office as from the date of the notice of the General Meeting.



The Supervisory Board may convene a Shareholders' General Meeting whenever it deems this appropriate.

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.