



# HERMÈS

2021 UNIVERSAL REGISTRATION DOCUMENT

**EXTRACTS FROM THE UNIVERSAL REGISTRATION DOCUMENT**

The following page numbers are those of the 2021 Universal registration document

## 3.9 OTHER INFORMATION

### 3.9.1 AGREEMENTS

#### 3.9.1.1 RELATED-PARTY AGREEMENTS AND TRANSACTIONS

Information on the related-party agreements described in the summary table below and the status of current agreements is presented in chapter 8 “Combined General Meeting of 20 April 2022” in the report of the Supervisory Board to the General Meeting in § 8.3 and in the Statutory Auditors’ special report in § 8.4.3.

In application of Articles L. 226-10 and L. 225-38 to L. 225-43 of the French Commercial Code (*Code de commerce*), any agreement entered into 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 a fraction of the voting rights greater than 10% or, in the case of a shareholder company, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*),

must be subject to the prior authorisation of the Board.

These provisions are applicable to agreements in which one of these persons has an indirect interest.

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, Chief Executive Officer, member of the Management Board or member of the Supervisory Board of the Company.

The foregoing provisions are not applicable either to agreements on current transactions entered into on an arm’s length basis or to agreements concluded between two companies in which one holds, directly or indirectly, the entire share capital of the other, where applicable, after deduction of the minimum number of shares required by law. These agreements are communicated by the person concerned to the Chairman of the Supervisory Board, who communicates the list to the members of the Board and to the Statutory Auditors.

In accordance with the provisions of Article L. 225-38 of the French Commercial Code (*Code de commerce*), authorisation decisions of the Supervisory Board since 1 August 2014 are all supported by justification.

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 Article L. 225-40-1 of the French Commercial Code (*Code de commerce*).

Following the review of 2021, the Board had no comments to make.

The approvals and amendments made in 2021 are detailed in the table below.

Related-party transactions are shown in chapter 5 “Consolidated financial statements”, § 5.6 (note 13).

## SUMMARY OF RELATED-PARTY AGREEMENTS IN FORCE DESCRIBED IN THE STATUTORY AUDITORS' SPECIAL REPORT

Nature of the agreement	Persons concerned	Nature, purpose and terms of the agreement	Amount
Service agreement with Émile Hermès SAS <sup>1</sup>	Émile Hermès SAS, Executive Chairman of Hermès International	<p>The Supervisory Board authorised the conclusion of a service agreement between Hermès International and Émile Hermès SAS covering ordinary legal and financial assignments.</p> <p><u>Date of approval by the Supervisory Board</u></p> <p>23 March 2005 and 14 September 2005    Contract 1 September 2007    Amendment No. 1 25 January 2012    Amendment No. 2 30 August 2012    Amendment No. 3 29 July 2021    Downgrading</p> <p>The Supervisory Board decided to downgrade this agreement on 29 July 2021 in view of the adoption of new re-invoicing methods taking effect retroactively from 1 January 2021. This agreement is now qualified as an ordinary agreement entered into under arm's length conditions.</p>	n/a (downgrading effective 1 January 2021)
Service agreement with Studio des Fleurs	Mr Frédéric Dumas, member of the Executive Management Board of Émile Hermès SAS, Executive Chairman of Hermès International	<p>The Supervisory Board authorised the conclusion of a contract between Hermès International and Studio des Fleurs relating to services for shots and retouches for e-commerce product pack shots.</p> <p><u>Grounds justifying its interest for the Company</u></p> <p>Studio des Fleurs has accepted the following points, which were fundamental for Hermès International:</p> <ul style="list-style-type: none"> <li>◆ obligations of Studio des Fleurs: compliance with very precise specifications, duty of advice, monitoring of services, quality control;</li> <li>◆ criteria for monitoring performance indicators;</li> <li>◆ no guaranteed minimum order;</li> <li>◆ fixed three-year term followed by indefinite duration;</li> <li>◆ long notice of termination (18 months);</li> <li>◆ no exclusivity;</li> <li>◆ 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;</li> <li>◆ confidentiality and prohibition on using Hermès as a reference;</li> <li>◆ no revision of rates before the expiry of three years, and then revision possible but capped.</li> </ul> <p><u>Date of approval by the Supervisory Board</u></p> <p>20 March 2018    Contract 29 July 2021    New commercial conditions</p> <p>On 29 July 2021, the Supervisory Board approved new commercial conditions applicable to this contract. This agreement provided for the revision of tariffs following an initial period of three (3) years by application of an index and a ceiling, with the possibility of the parties waiving this ceiling if changes in the index or service provisions justified it. The significant change in tariff practices in the market and, in particular, the index in question, thus led the parties to agree on new trading terms and conditions for 2021 and 2022. The Supervisory Board noted that, pursuant to these new commercial conditions, the increase in prices over the period covered by the contract is lower than the increase in the index chosen over the same period and that the new commercial conditions agreed upon are therefore in the Company's interest.</p> <p><a href="https://finance.hermes.com/en/regulated-agreements/">https://finance.hermes.com/en/regulated-agreements/</a></p>	For financial year 2021, invoicing for these services amounted to €3,248,687.

Nature of the agreement	Persons concerned	Nature, purpose and terms of the agreement	Amount
Service agreement with MOCE	Mr Charles-Éric Bauer, majority shareholder of MOCE and member of the Supervisory Board of Hermès International	The 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). <u>Grounds justifying its interest for the Company</u> 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. <u>Date of approval by the Supervisory Board</u> 6 June 2017      Contract 28 May 2021      End of contract The Supervisory Board noted the end of this agreement on 28 May 2021.	For financial year 2021, invoicing for these services amounted to €4,964.
Design mission agreement with the RDAI architecture studio <sup>1</sup>	Ms Sandrine Brekke, partner with a more than 10% holding in RDAI and a member of the Executive Management Board of Émile Hermès SAS, Executive Chairman of Hermès International	The Supervisory Board authorised a new framework agreement between Hermès International 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. <u>Date of approval by the Supervisory Board</u> 7 July 2017 and 13 September 2017      Contract	For financial year 2021, invoicing for these services amounted to €1,846.
Design mission agreement with the RDAI architecture studio <sup>1</sup>	Ms Sandrine Brekke, partner with a more than 10% holding in RDAI and a member of the Executive Management Board of Émile Hermès SAS, Executive Chairman of Hermès International	The Supervisory Board authorised: ♦ an agreement between the Company and the RDAI studio 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; ♦ an amendment to this contract to entrust RDAI with two additional studies for: (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. <u>Date of approval by the Supervisory Board</u> 3 July 2015      Contract 20 November 2015      Amendment 18 February 2021      End of contract This agreement has not been implemented for more than three years. The Supervisory Board noted the end of this agreement on 18 February 2021.	For financial year 2021, invoicing for these services amounted to €0.

(1) At the time of approval of this agreement, related-party agreements did not need to be justified.

### 3.9.1.2 AGREEMENTS ENTERED INTO BETWEEN SENIOR EXECUTIVES OR SHAREHOLDERS OF THE COMPANY AND CONTROLLED COMPANIES (ARTICLE L. 225-37-4-2° OF THE FRENCH COMMERCIAL CODE)

Pursuant to the provisions of Article L. 225-37-4 of the French Commercial Code (*Code de commerce*), this report must disclose any agreements entered into, directly or through an intermediary, between, on the one hand, an Executive Chairman, a member of the Supervisory Board or one of the shareholders holding more than 10% of the voting rights of the Company and, on the other hand, another company controlled by said other party within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*).

These are not related-party agreements subject to prior approval by the Supervisory Board, as Hermès International is not a party to the agreement. Agreements entered into with a wholly owned subsidiary are not excluded (Order No. 2014-863 of 31 July 2014 relating to company law).

We hereby inform you that no such agreements were entered into during the financial year ended 31 December 2021.

### 8.4.3 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

#### General Meeting for the approval of the financial statements for the year ended 31 December 2021

*This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

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

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.226-2 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

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

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

#### Agreements to be submitted for the approval of the General Meeting

##### Agreements authorised and entered into during the year

In accordance with article L.226-10 of the French Commercial Code, we were informed of the following agreement that was entered into during the year and authorised in advance by the Supervisory Board.

##### Amendment to the service agreement with Studio des Fleurs

###### Person concerned

Frédéric Dumas, member of the Management Board of Émile Hermès SAS, legal manager (*gérant*) of Hermès International.

###### Nature, purpose and conditions

On 29 July 2021, the Supervisory Board authorised an amendment to the initial agreement between Hermès International and Studio des Fleurs relating to the provision of photography and photo editing services for e-commerce product pack shots. The purpose of the amendment is to agree on new contractual conditions, as the initial agreement, which was authorised by the Supervisory Board on 20 March 2018, provided for a revision of the fees at the end of an initial three-year period.

###### Reasons why the agreement is beneficial for the Company

Under the new conditions, the fees for 2021 and 2022 are lower than those that would have resulted from the application of the revaluation index provided for in the agreement.

In the initial agreement, Hermès International set out the following fundamental principles, which were accepted by Studio des Fleurs:

- ◆ compliance with very precise specifications, duty to advise, monitoring of services, quality control and performance indicator monitoring criteria;
- ◆ no minimum order guaranteed;
- ◆ fixed term of three years and then an indefinite term;
- ◆ advanced notice of termination (18 months);
- ◆ non-exclusivity;
- ◆ undertaking by Studio des Fleurs to take the necessary measures to maintain its economic independence (in particular by expanding and diversifying its customer base) from the Hermès Group;
- ◆ confidentiality and prohibition of use of Hermès as a reference;
- ◆ fixed fees for three years.

The amendment did not change any of the above principles.

For 2021, Hermès International was invoiced €3,248,687 for services provided under the agreement.

#### Agreements already approved by the General Meeting

##### Agreements approved in previous years that were implemented during the year

In accordance with article R.226-2 of the French Commercial Code, we were informed of the following agreements, approved by the General Meeting in previous years, which were implemented during the year.

##### 1. Catering service agreement with MOCE

###### Person concerned

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

###### Nature, purpose and conditions

On 6 June 2017, the Supervisory Board authorised the signing of an agreement between Hermès International and MOCE (under the "EatMe" banner) for the provision of fast food services at the Hermès International site located at 12 rue d'Anjou, 75008 Paris, France.

###### Reasons why the agreement is beneficial for the Company

During a consultation process, Hermès International considered and compared tenders from several fast food service providers. MOCE was selected on the basis of its commercial offer, which had no fixed costs and provided for renovations in keeping with the building.

For 2021, Hermès International was invoiced €4,964 for services provided under the agreement.

On 28 May 2021, the Supervisory Board placed on record the end of the agreement.

## 2. Design agreement with architectural firm RDAI

### Person concerned

Sandrine Brekke, partner with a stake of more than 10% in RDAI and member of the Management Board of Émile Hermès SAS, legal manager (*gérant*) of Hermès International.

### Nature, purpose and conditions

At its meetings of 7 July 2017 and 13 September 2017, the Supervisory Board authorised a new framework agreement between the Company and all the companies that it directly or indirectly controls, and RDAI, defining the scope of the work to be undertaken by RDAI in applying an exclusive architecture design concept to Hermès projects.

### Reasons why the agreement is beneficial for the Company

The concept created by RDAI will enable stores and points of sale distributing Hermès products worldwide to be easily identified for their quality design.

The new agreement aims to integrate changes in Hermès' organisation (Real Estate Department, purchasing policy, digital initiatives), specify the roles and obligations of the parties and adjust the terms and conditions of execution to the changing needs in Hermès' projects. Following analysis of the renegotiated agreement, it is clear that the changes made are essentially to Hermès International's benefit, both with regard to RDAI's obligations and its fees.

For 2021, Hermès International was invoiced €1,846 for services provided under the agreement.

Neuilly-sur-Seine, 3 March 2022

The Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Auberty

Grant Thornton Audit

Vincent Frambourt