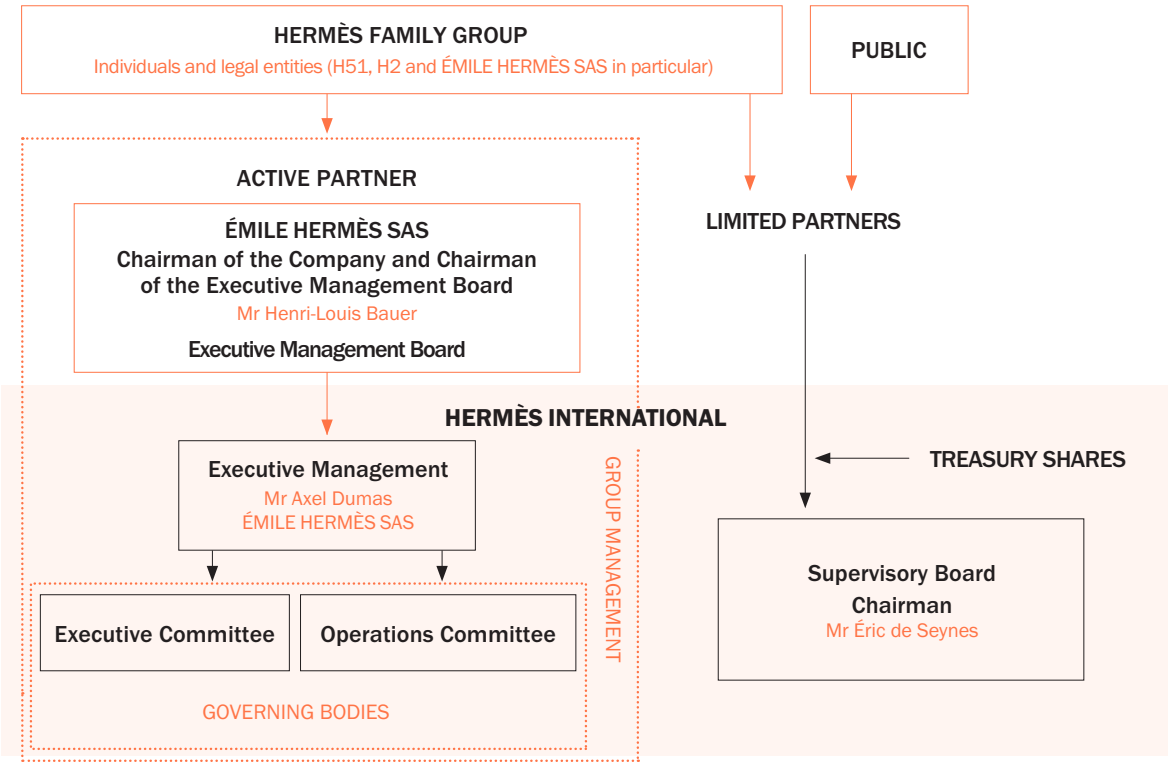
7 CORPORATE GOVERNANCE

AMBITIOUS AND BALANCED GOVERNANCE

ORGANISATIONAL STRUCTURE OF HERMÈS INTERNATIONAL AS AT 31 DECEMBER 2022



TWO TYPES OF PARTNERS

Hermès International was converted into a *société en commandite par actions* (partnership limited by shares – SCA) by a decision of the Extraordinary General Meeting held on 27 December 1990, in order to preserve its identity and culture and thus ensure its sustainability over the long term, in the interests of the Group and all shareholders. This singular legal form, whose capital is divided into shares, brings together two types of partners:

The Active Partner (Émile Hermès SAS) – chapter 3 "corporate governance" § 3.3.1 of the 2022 universal registration document

The Active Partner Émile Hermès SAS is involved in the operation and organisation of the Company. It has structuring powers.

Powers:

- determining for the Group: (i) strategic options, (ii) consolidated operating and investment budgets, and (iii) proposals to the General Meeting for the distribution of share premiums, reserves and retained earnings;
- approving the decisions of the General Meeting of Limited Partners (except those falling within their own powers);
- appointing or dismissing the Executive Chairmen;
- establishing the compensation policy for the Executive Chairmen;
- authorising all significant transactions (loans, guarantees, investments, etc.) when their amount exceeds 10% of the Hermès Group's net consolidated financial position;
- formulating recommendations to the Executive Management on all issues of general interest to the Group;
- proposing the appointment or dismissal of members of the Supervisory Board.

Émile Hermès SAS has been the sole Active Partner of Hermès International since 1 April 2006.

The Executive Management Board of Émile Hermès SAS exercises the powers attached to being an Active Partner of the Company.

The Active Partner cannot participate in the vote on the appointment of members of the Supervisory Board at a General Meeting. The shares held in the Company are therefore removed from the quorum of the resolutions of the General Meetings concerned.

The Active Partner is jointly and severally liable for all the Company's debts, for an indefinite period of time.

In accordance with Article 26 of the Articles of Association, each year, the Company pays the Active Partner an amount equal to 0.67% of the distributable profits.

The Limited Partners (shareholders) – chapter 7 "Information on the Company and its share capital", § 7.2.2 of the 2022 universal registration document

The Limited Partners or shareholders, who provide capital, enjoy limited prerogatives.

Powers:

- voting the parent company financial statements and the consolidated financial statements approved by Executive Management;
- determining the allocation of net income (including the distribution of dividends);
- approving related-party agreements;
- appointing the Statutory Auditors;
- appointing and dismissing the members of the Supervisory Board.

Any other decision of the shareholders is only valid if approved on the same terms by the Active Partner.

The law explicitly prohibits them from any interference in the Company's management, for any reason whatsoever, on pain of being liable under the same conditions as the Active Partner.

The liability of the shareholders is limited to the amount of their contribution.

Shareholders receive a share of the profits in the form of dividends.

The main Limited Partners are listed in the 2022 universal registration document, chapter 7 "Information on the Company and its share capital", § 7.2.2.5.

GOVERNANCE BY NATURE DISSOCIATED

The organisation of governance within an SCA 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.

Executive Management – page 22

The Company is currently administered and managed by two Executive Chairmen, one of whom is the Active Partner.
The role of Executive Chairman is to manage the Group.

Powers:

- defining and implementing the Group's strategy in accordance with the strategic options adopted by the Active Partner;
- directing the Group's operations;
- establishing and implementing internal control and risk management procedures;
- approving the parent company and consolidated financial statements;
- convening General Meetings and setting their agendas;
- preparing the management report for the General Meeting;
- exercising the broadest of powers to act on behalf of the Company in all circumstances with regard to third parties, subject to the limits of the corporate purpose and powers granted to the Supervisory Board and to Shareholders' General Meetings.

The Executive Management is controlled by a Supervisory Board representing the Limited Partners.

The Afep-Medef Code qualifies the Executive Chairmen as "Executive Corporate Officers".

The Executive Management is assisted by the Executive Committee (see page 23) and the Operations Committee (see page 24), which constitute the Governing bodies.

The Joint Council – 2022 universal registration document, chapter 3 "Corporate governance", § 3.5.2.2

The Joint Council, composed of the members of the Executive Management Board of Émile Hermès SAS (see 2022 universal registration documents, chapter 3 "Corporate governance", § 3.3.1.4), the Active Partner (see 2022 universal registration document, chapter 3 "Corporate governance", § 3.1.1 and § 3.2.2) and the members of the Hermès International Supervisory Board (see 2022 universal registration document, chapter 3 "Corporate governance", § 3.4), is a consultation body that has no decision-making powers of its own.

It is aware of all issues that are submitted to it or that it takes up, without being able to replace the bodies to which the decision-making powers are assigned.

Nevertheless, the Active Partner, through the Executive Management Board, and the Supervisory Board may, as the Joint Council if they so wish, take any decisions or issue any opinions within their competence.

Supervisory Board – page 25

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

Powers:

- controlling the management of the Company (power comparable to that of the Statutory Auditors): audit of the parent company and consolidated financial statements and respect for equality between shareholders;
- determining the allocation of net income to be put to the General Meeting each financial year;
- convening the Shareholders' General Meeting whenever it deems it appropriate;
- preparing the corporate governance report;
- preparing a report to the General Meeting on the performance of its duties;
- authorising or downgrading related-party agreements;
- authorising 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;
- is required to be consulted by the Active Partner with regard to: (i) strategic options, (ii) consolidated operating and investment budgets, (iii) proposals to the General Meeting pertaining to the appropriation of share premiums, reserves or retained earnings, and (iv) setting the compensation policy for the Executive Chairmen;
- issuing, for the attention of the Active Partner, a reasoned opinion on: (i) any appointment or dismissal of any Executive Chairman of the Company, and (ii) the reduction in the notice period in the event of resignation of the Executive Chairman.

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".

The Board is supported by the work of two permanent committees:
- Audit and Risk Committee;
- Compensation, Appointments, Governance and CSR Committee or "CAG-CSR Committee".

These committees act under the collective and exclusive responsibility of the Supervisory Board. Their role is to discuss, analyse and prepare for certain deliberations of the Board, to which they submit their opinions, proposals or recommendations.

EXECUTIVE MANAGEMENT

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.

The role and powers of Executive Management are described in 2022 universal registation document, chapter 3 "Corporate governance", § 3.2.3.

The roles of the Executive Chairmen are distributed as follows: Mr Axel Dumas is in charge of strategy and operational management, and Émile Hermès SAS, through its Executive Management Board, is responsible for vision and strategic priority areas.

Composition at 31/12/2022

Mr Axel Dumas

Executive Chairman

Appointed by decision of the Active partner dated 4 June 2013 (effective 5 June 2013)

Émile Hermès SAS

Executive Chairman (represented by Mr Henri-Louis Bauer)

Appointed by decision of the Active partner dated 14 February 2006 (effective 1 April 2006)

- **Changes among the Executive Management in 2022:** *None.*
- **Changes among the Executive Management since 31 December 2022:** *None.*

EXECUTIVE COMMITTEE

Role

The Executive Chairmen are supported in their management of the Group by the Executive Committee. This consists of Executive Vice-Presidents, each of whom has well-defined areas of responsibility.

The role of the Executive Committee 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 31/12/2022

11
MEMBERS

40%
WOMEN MEMBERS
(EXCLUDING EXECUTIVE CHAIRMEN)

8 years
AVERAGE LENGTH OF SERVICE ON THE EXECUTIVE COMMITTEE

19 years
AVERAGE LENGTH OF SERVICE IN THE GROUP

54 years
AVERAGE AGE [1]

Members of the Executive Committee in the Pantin leather goods workshop in Île de France. From left to right: Agnès de Villers, Pierre-Alexis Dumas, Olivier Fournier, Sharon MacBeath, Guillaume de Seynes, Axel Dumas, Catherine Fulconis, Florian Craen, Charlotte David, Wilfried Guerrand, Éric du Halgouët

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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 Corporate Development and Social Affairs
- **Ms Catherine Fulconis**
  Executive Vice-President Leather Goods & Saddlery (which also includes Hermès Horizons and Equestrianism) and petit h
- **Mr Wilfried Guerrand**
  Managing Director *Métiers*, Information Systems and Data
- **Mr Éric du Halgouët**
  Executive Vice-President Finance
- **Ms Sharon MacBeath** (since 1 March 2022)
  Group Director of Human Resources
- **Mr Guillaume de Seynes**
  Executive Vice-President Manufacturing Division & Equity Investments
- **Ms Agnès de Villers** (since 1 March 2022)
  Chairwoman and Executive-Vice President of Hermès Perfume and Beauty

Changes in the Executive Committee in financial year 2022

On 1 March 2022, two new members joined the Executive Committee:

- Ms Agnès de Villers, Chairwoman and Executive Vice-President of Hermès Perfume and Beauty
- Ms Sharon MacBeath, Group Director of Human Resources.

Changes in the Executive Committee since 31 December 2022

None

(1) Average calculated on the basis of the age of the members of the Executive Committee, determined on a full-year basis as at 31 December 2022.

OPERATIONS COMMITTEE

Role

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.

Its duties are:
- to involve Senior Executives in the Group's major issues and strategic orientations;
- to promote communication, sharing and reasonable exchanges amongst its members in their area of responsibility;
- to enable the Executive Committee to take certain decisions.

The Operations Committee meets two or three times a year.

Composition at 01/03/2022

25	64%	21%
MEMBERS	**WOMEN MEMBERS**	**WITH A FOREIGN NATIONALITY**

(EXCLUDING THE EXECUTIVE CHAIRMAN AND THE EXECUTIVE COMMITTEE)

Mr Axel Dumas

Executive Chairman

Executive Committee members

(see page 23)

Other members

Senior Executives of the *Métiers*

- **Mr Laurent Dordet**
  Watches
- **Ms Cielo Dunbavand**
  Women's Ready-to-wear
- **Ms Antoinette Louis** (untill 30/09/2022)
  Silk and Textiles
- **Ms Alix Coindreau** (since 01/10/2022)
  Silk and Textiles
- **Ms Véronique Nichanian**
  Men's Ready-to-wear
- **Ms Anne-Sarah Panhard**
  Home
- **Ms Élodie Potdevin**
  Fashion accessories and IoT
- **Ms Ambre Pulcini**
  Jewellery and Footwear
- **Ms Agnès de Villers** [1]
  Perfume and Beauty

Senior Executives of the Geographical areas

- **Mr Masao Ariga** [2]
  Japan
- **Mr Robert Chavez** [2]
  United States and Latin America
- **Ms Hélène Dubrule**
  France
- **Mr Éric Festy**
  South Asia
- **Mr Luc Hennard** [2]
  China
- **Ms Hinde Pagani**
  Digital Sales and Service
- **Mr Florian Craen** [1]
  Europe
- **Ms Ségolène Verdillon**
  Travel Retail

Changes in the Operations Committee in 2022

On 1 March 2022, two new members of the Executive Committee joined the Operations Committee (see page 23)

- Ms Agnès de Villers, Chairwoman and Executive Vice-President of Hermès Perfume and Beauty
- Ms Sharon MacBeath, Group Director of Human Resources

Ms Alix Coindreau took over the Group Management of the Silk and Textiles *métier*, replacing Ms Antoinette Louis (01/10/2022).

Changes in the Operations Committee since 31 December 2022

Mr Luc Hennard took over the Group Management of the Europe region, replacing Mr Florian Craen since 1 January 2023.

Ms Diane Mahady will take over Group Management for the United States and Latin America region, replacing Mr Robert Chavez from 1 April 2023.

(1) Members of the Executive Committee who are not counted twice.
(2) Members with a foreign nationality.

SUPERVISORY BOARD

COMPOSITION OF THE SUPERVISORY BOARD AS AT 31 DECEMBER 2022

The Company has a Supervisory Board comprising 14 members, including:

- 7 women and 7 men (*i.e.* 50% of each gender);
- 4 independent members (*i.e.* one-third, see 2022 universal registration document, chapter 3 "Corporate governance", § 3.4.6); and
- 2 members representing employees (see 2022 universal registration document, chapter 3 "Corporate governance", § 3.4.2.1.2).

Twelve members are appointed by the General Meeting from among the shareholders who are neither the Active Partner nor the legal representative of the Active Partner nor Executive Chairman.

As the provisions of Article L. 225-79-2 of the French Commercial Code (*Code de commerce*) apply to the Company, two members of the Supervisory Board representing employees are appointed by the Group Works Council, given the role of this employee representative body which is the preferred contact for management and whose members are drawn from the Social and Economic Committees of the Group companies.

All the Supervisory Board members are French except Ms Olympia Guerrand, who is Franco-Portuguese, and Mr Alexandre Viros, who is Franco-American.

Ms Nathalie Besombes, Director of Corporate law and Stock Exchange regulations and Compliance Officer, is the Supervisory Board Secretary.

MEMBERS APPOINTED BY THE GENERAL MEETING

Éric de Seynes
Chairman

Monique Cohen
Vice-Chairwoman
★ ✱

Dominique Senequier
Vice-Chairwoman
★ ✿

Dorothée Altmayer

Charles-Éric Bauer
✱

Estelle Brachlianoff
★ ✿ ✱

Matthieu Dumas
✿

Blaise Guerrand

Julie Guerrand

Olympia Guerrand

Renaud Momméja
✱

Alexandre Viros
★ ✱

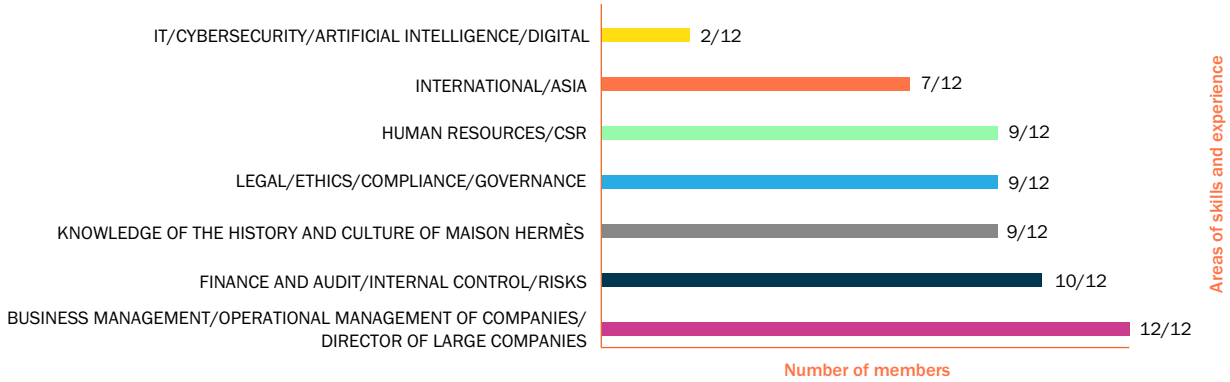
MEMBERS REPRESENTING EMPLOYEES APPOINTED BY THE GROUP WORKS COUNCIL

Prescience Assoh

Anne-Lise Muhlmeyer

★ *Independence* ✿ *CAG-CSR Committee* ✱ *Audit and Risk Committee*

Main areas of skills and expertise of the members of the Board appointed by the General Meeting [1-2]



1. *Excluding Supervisory Board members representing employees.*
2. *According to the annual declarations of the Board members.*

SUPERVISORY BOARD

PROPORTION OF WOMEN [1]

PROPORTION OF INDEPENDENT MEMBERS [1]

14 [3] members

7 meetings in 2022 | 96.94% attendance

2 committees

AUDIT AND RISK COMMITTEE

5 members

6 meetings in 2022 | 93.33% attendance
60% independence | 9 years' average length of service[2]
40% women including the Chairwoman

COMPENSATION, APPOINTMENTS, GOVERNANCE AND CSR COMMITTEE

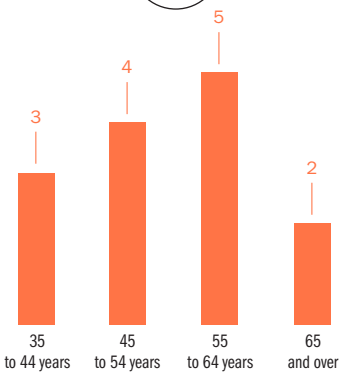
3 members

6 meetings in 2022 | 88.33% attendance
67% independence | 9 years' average length of service[2]
67 % women including the Chairwoman

Age

Average

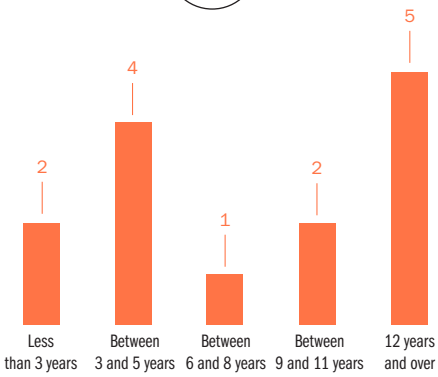
53 years [2]



Seniority

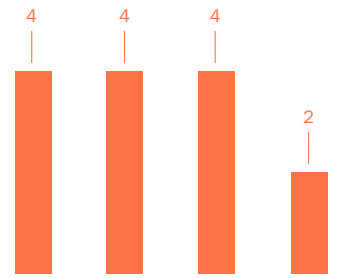
Average

8 years [2]



Number of terms of office expiring

1/3 per years [5]



1. The members of the Supervisory Board representing employees are not taken into account for the calculation of these proportions.
2. Average calculated on the basis of ages and lengths of service of members of the Supervisory Board, determined on a full-year basis as at 31 December 2022.
3. 12 members are appointed by the Shareholders' General Meeting and two members, representing employees, are appointed by the Group Works Council.
4. Supervisory Board members representing employees.
5. Excluding Supervisory Board members representing employees.

SUMMARY PRESENTATION OF THE MEMBERS OF THE SUPERVISORY BOARD AS AT 31 DECEMBER 2022

Personal details		Experience	Position on the Board				Membership of Board committees	
Gender, nationality, age [1], date of birth	Number of shares (direct holding)	Number of offices in listed companies [5]	Independence [2]	Date of first appointment	Date term ends	Length of service on the Board [1]	Audit and Risk Committee	CAG-CSR Committee
Members of the Supervisory Board appointed by the General Meeting								
Éric de Seynes (M) (Chairman) Nationality: French 62 years old – 09/06/1960	226 (NP) 285			07/06/2010 03/03/2011 (Chairman)	2023 GM	12 years		
Monique Cohen (F) (Vice-Chairwoman) Nationality: French 66 years old –28/01/1956	250	2 BNP Paribas Safran	√	03/06/2014	2023 GM	8 years	√ **(Chairwoman)**	
Dominique Senequier (F) (Vice-Chairwoman) Nationality: French 69 years old – 21/08/1953	200		√	04/06/2013	2025 GM	9 years		√ **(Chairwoman)**
Dorothée Altmayer (F) Nationality: French 61 years old – 01/03/1961	200			06/06/2017	2023 GM	5 years		
Charles-Éric Bauer (M) Nationality: French 58 years old – 09/01/1964	75,748			03/06/2008	2025 GM	14 years	√	
Estelle Brachlianoff (F) Nationality: French 50 years old – 26/07/1972	100	1 Veolia	√	04/06/2019	2025 GM	3 years	√	√
Matthieu Dumas (M) Nationality: French 50 years old –06/12/1972	1,463			03/06/2008	2024 GM	14 years		√
Blaise Guerrand (M) Nationality: French 39 years old –04/06/1983	200			29/05/2012	2024 GM	10 years		
Julie Guerrand (F) Nationality: French 47 years old – 26/02/1975	6,825			02/06/2005	2025 GM	17 years		
Olympia Guerrand (F) Nationality: French and Portuguese 45 years old –07/10/1977	600			06/06/2017	2024 GM	5 years		
Renaud Momméja (M) Nationality: French 60 years old – 20/03/1962	52,943 (US) 60,960			02/06/2005	2023 GM	17 years	√	
Alexandre Viros (M) Nationality: French and American 44 years old –08/01/1978	100		√	04/06/2019	2024 GM	3 years	√	
Members of the Supervisory Board representing employees appointed by the Group Works Council								
Prescience Assoh (M) Nationality: French 39 years old –26/01/1983	1 [3]		n/a [4]	15/11/2022	15/11/2025	0 years		
Anne-Lise Muhlmeyerl (F) Nationality: French 57 years old – 10/10/1965	20 [3]		n /a [4]	15/11/2022	15/11/2025	0 years		
					Average	8 years		

(1) The ages and seniority indicated (1) are determined in number of full years as at 31 December 2022.

(2) The independence criteria for its members, formalised since 2009 by the Supervisory Board, are described in 2022 universal registration document, chapter 3 "Corporate governance", § 3.4.6.1.

(3) The obligation to hold a minimum number of Company shares does not apply to members of the Board representing employees.

(4) n/a: not applicable. In accordance with the provisions of the Afep-Medef Code (Article 10.3), employee representatives are not included in the calculation of independent members.

(5) Other than the Company. In accordance with the recommendation of the Afep-Medef Code (Article 20.4), a member of the Supervisory Board may not hold more than four other offices in listed companies outside the Group, including foreign ones.

NP: Bare ownership.

US: Usufruct.

ATTENDANCE

2022	Attendance at Supervisory Board meetings	Attendance at Audit and Risk Committee meetings	Attendance at CAG-CSR Committee meetings
Total number of meetings	**7**	**6**	**6**
Overall attendance rate	**96.94%**	**93.33%**	**83.33%**
Éric de Seynes (Chairman)	100.00%	n/a	n/a
Monique Cohen (Vice-Chairwoman)	100.00%	100.00%	n/a
Dominique Senequier (Vice-Chairwoman)	71.43%	n/a	83.33%
Dorothée Altmayer	100.00%	n/a	n/a
Prescience Assoh (representing employees) – 1 meeting	100.00%	n/a	n/a
Charles-Éric Bauer	100.00%	100.00%	n/a
Estelle Brachlianoff	100.00%	66.67%	66.67%
Pureza Cardoso (employee representative) – 6 meetings	83.33%	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	100.00%	n/a	n/a
Rémy Kroll (employee representative) – 6 meetings	100.00%	n/a	n/a
Renaud Momméja	100.00%	100.00%	n/a
Anne-Lise Muhlmeyer (employee representative) – 1 meeting	100.00%	n/a	n/a
Alexandre Viros	100.00%	100.00%	n/a

Attendance calculated by establishing the ratio between the number of actual attendance or attendance using telecommunication and the number of meetings applicable to each member.
n/a: not applicable.

MAIN DUTIES OF THE SUPERVISORY BOARD AND WORK CARRIED OUT IN 2022

The purpose and nature of the main duties and work carried out by the Supervisory Board in 2022 are presented in detail in the 2022 universal registration document (see Chapter 3 "Corporate governance" § 3.5.4).

COMPOSITION OF THE SUPERVISORY BOARD'S COMMITTEES

SUMMARY PRESENTATION OF THE CAG-CSR COMMITTEE MEMBERS AT 31 DECEMBER 2022

2022 DATA	Personal details	Independence	Date of appointment	Expiry of term of office on the Board	Length of service on the Committee [1]	Attendance
3 MEMBERS - 6 MEETINGS – 67% INDEPENDENCE – 67 % WOMEN MEMBERS	**Dominique Senequier** (F) (Chairwoman) **Nationality: French** 69 years [1] – 21/08/1953		04/06/2013	2025 GM	9 years	83.33%
	Estelle Brachlianoff (F) **Nationality: French** 50 years [1] – 26/07/1972		04/06/2019	2025 GM	3 years	66.67%
	Matthieu Dumas (M) **Nationality: French** 50 years [1] – 06/12/1972		03/06/2008	2024 GM	14 years	100.00%
					AVERAGE ATTENDANCE	83.33% [2]

(1) The ages and length of service indicated are determined in number of full years as at 31 December 2022.

(2) This figure reflects the average attendance of the members of the CAG-CSR Committee in office as at 31 December 2022, and does not take into account members who left the Committee during the year, where applicable.

A detailed presentation of the main duties of the CAG-CSR committee and the work carried out in 2022 can be found in the 2022 universal registration document (see Chapter 3, "Corporate governance", § 3.6.2.4).

SUMMARY PRESENTATION OF THE AUDIT AND RISK COMMITTEE MEMBERS AT 31 DECEMBER 2022

2022 DATA	Personal details		Independence	Date of appointment	Expiry of term of office on the Board	Length of service on the Committee [1]	Attendance
5 MEMBERS – 6 MEETINGS – 60% INDEPENDENCE – 40% WOMEN MEMBERS		**Monique Cohen** (F) (Chairwoman) **Nationality: French** 66 years [1] – 28/01/1956		03/06/2014	2023 GM	8 years	100.00%
		Charles-Éric Bauer (M) **Nationality: French** 58 years [1] – 09/01/1964		26/01/2005 [2]	2025 GM	17 years	100.00%
		Estelle Brachlianoff (F) **Nationality: French** 50 years [1] – 26/07/1972		04/06/2019	2025 GM	3 years	66.67%
		Renaud Momméja (M) **Nationality: French** 60 years [1] – 20/03/1962		03/06/2008	2023 GM	14 years	100.00%
		Alexandre Viros (M) **Nationality: French** 44 years [1] – 08/01/1978		04/06/2019	2024 GM	3 years	100.00%
						AVERAGE ATTENDANCE	93.33% [3]

(1) The ages indicated are determined in number of full years as at 31 December 2022.

(2) Mr Charles-Éric Bauer was appointed to the Audit and Risk Committee before joining the Supervisory Board (before Order no. 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 at 31 December 2022, and does not take into account members who left the Committee during the year, where applicable.

A detailed presentation of the main duties of the Audit and Risk Committee and the work carried out in 2022 can be found in the 2022 universal registration document (see chapter 3 "Corporate governance", § 3.6.3.4).

On 20 April 2022, the Supervisory Board:

- renewed the term of office of the members of the Audit and Risk Committee of Monique Cohen (Chairwoman), Estelle Brachlianoff, Charles-Éric Bauer, Renaud Momméja and Alexandre Viros;
- renewed the term of office of the members of the CAG-CSR Committee of Dominique Senequier (Chairwoman), Estelle Brachlianoff and Matthieu Dumas.

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SUMMARY OF CHANGES IN 2022

	Departures	Appointments	Renewals
Audit and Risk Committee			Ms Monique Cohen, Chairwoman (20/04/2022) Ms Estelle Brachlianoff (20/04/2022) Mr Charles-Éric Bauer (20/04/2022) Mr Renaud Momméja (20/04/2022) Mr Alexandre Viros (20/04/2022)
CAG-CSR Committee			Ms Dominique Senequier, Chairwoman (20/04/2022) Ms Estelle Brachlianoff (20/04/2022) Mr Matthieu Dumas (20/04/2022)

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

Age
61 years [1]
(1 March 1961)
Nationality
French
Address
c/o Hermès International
24, rue du Faubourg-Saint-Honoré
75008 Paris
Shares held as at 31 December 2022
200
full ownership and registered
–
Date of first appointment
Supervisory Board
6 June 2017
Term of current office
2023 GM

DOROTHÉE ALTMAYER

Member of the Supervisory Board of Hermès International
Direct descendant of Mr Émile-Maurice Hermès

Summary of main areas of expertise and experience

Ms Dorothée 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).

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.

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.

From 2007 to 2020, she ran her own private practice, specialising in parent-child interviews, psychological evaluations and individual art therapy sessions for children. Since the end of 2020 she has continued to carry out this activity in reduced form, with her current customers.

Key skills

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.

Main activities outside the Company		Clinical psychologist specialised in parent-child interviews and individual art therapy sessions for children	
Offices and positions held during financial year 2022	**In Hermès Group companies**	**French companies ▲** ◆ **Hermès International ●** Member of the Supervisory Board ◆ **Comptoir Nouveau de la Parfumerie ✱** Director	**Foreign companies ▲** *None*
	Outside Hermès Group companies	**French companies** ◆ **Alvila 2** Manager (since 03/11/2020) ◆ **Alvila Immobilier** Manager (term ended on 10/02/2022)	**Foreign companies** *None*
Other offices and positions held during the previous four financial years and ended before 1 January 2022		**French companies** ◆ **Alvila** Manager (term ended on 10/12/2020) ◆ **H2** Director (term ended on 20/05/2019)	**Foreign companies** *None*

(1) The ages indicated are determined in number of full years as at 31 December 2022.
▲ Hermès Group company. ● Listed company. ✱ Office taken into account when calculating plurality of offices.

Age
66 years [1]
(28 January 1956)
Nationality
French
Address
c/o Hermès International
24, rue du Faubourg-Saint-Honoré
75008 Paris
Shares held as at 31 December 2022
250
full ownership and registered
–
Date of first appointment
Supervisory Board
3 June 2014
Audit and Risk Committee
3 June 2014
Term of current office
2023 GM

MONIQUE COHEN

Independent member of the Hermès International Supervisory Board (Vice-Chairwoman)
Member of the Audit and Risk Committee (Chairwoman)

Summary of main areas of expertise and experience

Ms Monique Cohen is a graduate of École Polytechnique (X76), and holds a master's degree in mathematics and a degree in business law.

She began her career in 1979 at Paribas as a senior banker, then as the worldwide manager for equity-related *métiers*. From 2000 to 2020, she was a partner at Apax Partners, in charge of investments in business services, financial services and healthcare. Since July 2020, she has been Senior Advisor at Apax Partners.

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 French Financial Markets Authority (AMF).

Key skills

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.

Main activities outside the Company		Senior Advisor at Apax Partners (since 01/07/2020).	
Offices and positions held during financial year 2022	**In Hermès Group companies**	**French companies** ▲ ◆ **Hermès International** ● Vice-Chairwoman and member of the Supervisory Board, Chairwoman of the Audit and Risk Committee	**Foreign companies** ▲ *None*
	Outside Hermès Group companies	**French companies** ◆ **BNP Paribas** ● ✱ Director Member of the Internal Control, Risks and Compliance Committee Chairwoman of the Governance, Ethics, Appointments and CSR Committee ◆ **Safran** ● ✱ Lead Director and Chairwoman of the Compensation and Appointments Committee ◆ **SC Fabadari** Managing Partner ◆ **Fidès Participations** Member of the Supervisory Board	**Foreign companies** ◆ **Proxima Investissement** *(Luxembourg)* Chairwoman of the Board of Directors and Director
Other offices and positions held during the previous four financial years and ended before 1 January 2022		**French companies** ◆ **Apax Partners MidMarket** Director (term ended on 30/06/2020) ◆ **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)	**Foreign companies** *None*

(1) The ages indicated are determined in number of full years as at 31 December 2022.
▲ *Hermès Group entity.* ● *Listed company.* ✱ *Office taken into account when calculating plurality of offices.*

Age
60 years [1]
(20 March 1962)
Nationality
French
Address
c/o Hermès International
24, rue du Faubourg-Saint-Honoré
75008 Paris
Shares held as at 31 December 2022
52,943 full ownership and 60,960 in usufruct and registered
–
Date of first appointment
Supervisory Board
2 June 2005
Audit and Risk Committee
3 June 2008
Term of current office
2023 GM

RENAUD MOMMÉJA

Member of the Supervisory Board of Hermès International, member of the Audit and Risk Committee
Direct descendant of Mr Émile-Maurice Hermès

Summary of main areas of expertise and experience

Mr Renaud Momméja is a graduate of the École Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA).
He has been 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.

Key skills
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 real estate, 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.

Main activities outside the Company
Manager 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 2022

In Hermès Group companies

French companies ▲
- **Hermès International ●**
  Member of the Supervisory Board and Audit and Risk Committee

Foreign companies ▲
- **JL & Co** *(United Kingdom)*
  Director

Outside Hermès Group companies

French companies
- **Altizo**
  Manager
- **Binc**
  Manager
- **GFA Château Fourcas Hosten**
  Co-Manager
- **H2**
  Director
- **Huso ✱**
  Director
- **Lor**
  Co-Manager
- **Rose Investissement**
  Manager
- **SARL Tolazi**
  Manager
- **SCI AJimmo**
  Co-Manager
- **SCI Auguste Hollande**
  Co-Manager
- **SCI Briand Villiers I**
  Chairman of SIFAH, Manager

Foreign companies
None

(1) The ages indicated are determined in number of full years as at 31 December 2022.
▲ Hermès Group company. ● Listed company. ✱ Offices taken into account when calculating plurality of offices.

Age
62 years [1]
(9 June 1960)
Nationality
French
Address
c/o Hermès International
24, rue du Faubourg-Saint-Honoré
75008 Paris
Shares held as at 31 December 2022
226 full ownership and 285 bare ownership
and registered
–
Date of first appointment
Supervisory Board
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:
a member of the Audit and Risk Committee from 2005 to 2008 and a member of the Executive Management Board of Émile Hermès SAS (SARL at that time) from 2008 to 2010
Term of current office
2023 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.

Prior to 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 Chief Executive Officer of Yamaha Motor France, Operational Director of Yamaha Motor Europe, and Chief Operating Officer of Yamaha Motor Europe.

Since 1 January 2018, he has been Chairman and Chief Executive Officer of Yamaha Motor Europe, as well as Executive Officer of Yamaha Motor Co. Ltd (Japan) since 2016, and a member of the Executive Committee of the Association of European Motorcycle Manufacturers (ACEM) since 2014.

He was appointed Senior Executive Officer Yamaha Motor Co. Ltd (Japan) in 2020 and Vice-Chairman of ACEM in 2022.

Key skills

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 executive 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	
Offices and positions held during financial year 2022	**In Hermès Group companies**	**French companies ▲** ◆ **Hermès International ●** Chairman and member of the Supervisory Board ◆ **Hermès Sellier** Member of the Management Board	**Foreign companies ▲** *None*
Offices and positions held during financial year 2022	**Outside Hermès Group companies**	**French companies** ◆ **CAPI** Co-Manager ◆ **Groupe option SARL** Manager ◆ **H51** Director ◆ **MBK SA ✱** Director ◆ **Sféric SAS** Chairman ◆ **VFH (became Krefeld)** Director (since 23/09/2022) ◆ **Yamaha Motor France Finance SAS** Director	**Foreign companies** ◆ **Yamaha Motor Europe NV** *(Netherlands)* Chairman and Chief Executive Officer ◆ **Inha Works Limited** *(Finland)* Director ◆ **Motori Minarelli *(Italy)*** Director ◆ **Yamaha Motor Germany GmbH** *(Germany)* Chairman ◆ **Yamaha Motor Research & Development Europe S.p.A** *(Italy)* Director
Other offices and positions held during the previous four financial years and ended before 1 January 2022		**French companies** ◆ Les Producteurs SA Director (ended in January 2019)	**Foreign companies** *None*

(1) The ages indicated are determined in number of full years as at 31 December 2022.
▲ Hermès Group company. ● Listed company. ✱ Offices taken into account when calculating plurality of offices.

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Offices and positions held during financial year 2022	**Outside Hermès Group companies**	**French companies** ◆ **SCI de l'Univers** Manager ◆ **SCI Zotila Vaugirard** Chairman ◆ **SIFAH** Chairman ◆ **Société Civile du Château Fourcas Hosten** Permanent representative of Lor, Manager	**Foreign companies** None
Other offices and positions held during the previous four financial years and ended before 1 January 2022		**French companies** ◆ **Comptoir Nouveau de la Parfumerie** ✱ Director (term ended on 02/06/2022) ◆ **H2** Chairman (term ended on 14/04/2022) ◆ **SCI Tibemo** Co-Manager (term ended on 27/04/2022) ◆ **SCI du 74, rue du Faubourg-Saint-Antoine** Co-Manager (term ended on 18/01/2019) ◆ **SCI Briand Villiers I** Manager (term ended on 05/06/2019) ◆ **SCI Briand Villiers II** Manager (term ended on 04/12/2019)	**Foreign companies** *None*

▲ *Hermès Group company.* ● *Listed company.* ✱ *Offices taken into account when calculating plurality of offices.*

COMPENSATION AND BENEFITS OF CORPORATE OFFICERS

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

System applicable since 2020

Order no. 2019-1234 of 27 November 2019 established a mechanism applicable to *sociétés en commandite par actions* (partnerships limited by shares) as regards Corporate Officers compensation.

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

The new system 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 sustainability 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, as well as certain additional information, in particular equity ratios.

  Several resolutions must therefore be presented:

  - a resolution (global *ex-post* vote) relating to the information referred to in Article L. 22-10-9, I of the French Commercial Code (*Code de commerce*), for all Corporate Officers (*i.e.* the Executive Chairmen, the Chairman of the Supervisory Board and the other members of the Supervisory Board). This information reflects, for each of these officers, the actual application of the compensation policy for the past financial year, including details of the compensation and benefits paid or awarded.
    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 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 (individual *ex-post* vote) 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.

General principles of the compensation policy for Corporate Officers

Pursuant to paragraph 4 of Article L. 22-10-76, I of the French Commercial Code (*Code de commerce*), resulting from the aforementioned order, the compensation policy for Corporate Officers (Executive Chairmen and members of the Supervisory Board) is presented below.

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 *sociétés en commandite par actions* (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, the specific principles of the compensation policy for the Executive Chairmen will be outlined, followed by the specific principles of the compensation policy for the members of the Supervisory Board.

In application of Article L. 22-10-77, II of the French Commercial Code (*Code de commerce*), the compensation policy for Corporate Officers will be the subject of two separate resolutions at the General Meeting of 20 April 2023: 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. 22-10-40, 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 *société en commandite par actions* (partnership limited by shares), the maximum amount of variable compensation set by the Articles of Association ("statutory compensation") of the Executive Chairmen has been determined by the Articles of Association (Article 17);
- the maximum amount of fixed ("additional") 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 page 39 *et seq.* 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 39);
- 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 SAS, Active Partner, sets the actual amount of each Executive Chairman's annual compensation set by the Articles of Association ("statutory compensation"). To this end, it uses the recommendations of the CAG-CSR Committee and in particular, 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. 22-10-40, 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 "Corporate social responsibility and non-financial performance", § 2.2 of the 2022 universal registration document.

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 shareholding 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,
  - lastly, voluntary and supra-legal social protection and pension plans, set up by the subsidiaries in order to supplement the employer offer in a comprehensive and competitive manner and to offer compensation and social protection schemes in the short, medium and long term.

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.

The desire to reward both collective and individual performance can also be seen in the development of variable compensation at both individual and collective levels in recent years.

Measures to avoid or manage conflicts of interest (Article R. 22-10-40, 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 variable compensation set by the Articles of Association ("statutory compensation") of the Executive Chairmen is determined by the Articles of Association (Article 17);
- the maximum amount of fixed ("additional") 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 page 38 *et seq.*;
- when setting the actual amount of each Executive Chairman's compensation set by the Articles of Association ("statutory compensation"), the Executive Management Board of Émile Hermès SAS 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;
- since 2020, the compensation policy for the Executive Chairmen has been subject to the advisory opinion of the Supervisory Board and the approval of the General Meeting, and the actual compensation of the Executive Chairmen is subject to a decision by the Supervisory Board.

Procedures for publishing the compensation of Corporate Officers

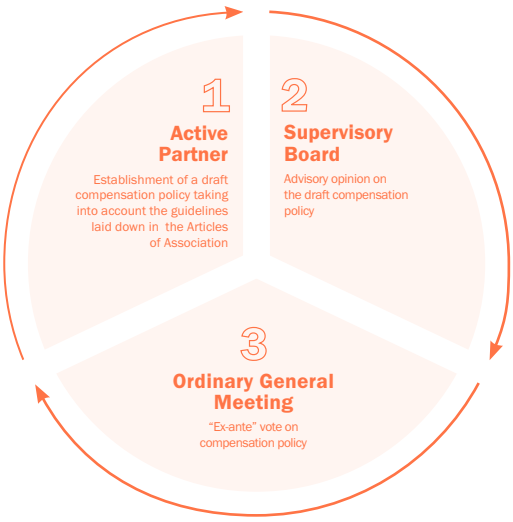
Pursuant to Article R. 22-10-40, V of the French Commercial Code (*Code de commerce*), the compensation policy for Corporate Officers, together with the date and result of the last *ex-ante* vote in the General Meeting, is disclosed on the Company's financial website on the business day following the date of the vote.

Pursuant to Article 27.1 of the Afep-Medef Code updated in December 2022, all potential or vested compensation of the Executive Chairmen is disclosed on the Company's financial website https://finance.hermes.com/en/corporate-officers immediately after the meeting of the Executive Management Board of Émile Hermès SAS, Active Partner, that approved it.

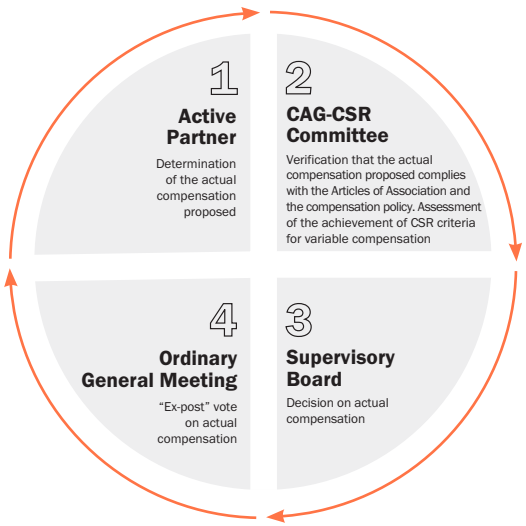
SPECIFIC PRINCIPLES APPLICABLE TO THE COMPENSATION POLICY FOR THE EXECUTIVE CHAIRMEN (EXECUTIVE CORPORATE OFFICERS)

Decision-making process followed for its determination, review and implementation applicable since the 2020 General Meeting

COMPENSATION POLICY FOR EXECUTIVE CHAIRMEN



ACTUAL COMPENSATION OF THE EXECUTIVE CHAIRMEN



Decision-making process relating to the establishment of the Executive Chairmen's compensation policy (Article R. 22-10-40, I-2° of the French Commercial Code (*Code de commerce*))

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

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

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

Decision-making process followed for the determination of the actual compensation of the Executive Chairmen (Article L. 22-10-76 of the French Commercial Code (*Code de commerce*))

The actual amount of the Executive Chairmen's compensation is determined each year by Émile Hermès SAS, 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:

- evaluates 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.

Since 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 by the Ordinary General Meeting (*ex-post* votes).

Changes made to the compensation policy for the Executive Chairmen since the last General Meeting (Article R. 22-10-40, I-5° of the French Commercial Code (*Code de commerce*))

The General Meeting of 20 April 2022 approved, at 92.34% and without reservation, the compensation policy for the Executive Chairmen (see page 58).

Since then, no changes have been made to the compensation policy for the Executive Chairmen.

Terms of application to newly appointed or reappointed Executive Chairmen (Article R. 22-10-40, 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. 22-10-40, I-7° of the French Commercial Code (*Code de commerce*))

In the event that exceptional circumstances should arise, the Executive Management Board of Émile Hermès SAS is authorised, under the conditions provided for by law, to 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 elements comprising the compensation policy for the Executive Chairmen (Article R. 22-10-40, II of the French Commercial Code (*Code de commerce*))

Pursuant to Articles L. 22-10-76 and R. 22-10-40, II of the French Commercial Code (*Code de commerce*), the specific components comprising the compensation policy for the Executive Chairmen are set out below.

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 set by the Articles of Association ("statutory compensation"):

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 limit 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 "compensation set by the Articles of Association ("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 compensation set by the Articles of Association ("statutory compensation") of Executive Chairmen, in a transparent way and without any guarantee of a minimum amount. With the aim of clarity, the compensation set by the Articles of Association ("statutory compensation") of the Executive Chairmen is referred to as "variable compensation", by analogy with market practices.

The variable compensation of the two Executive Chairmen is 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 Chairmen's compensation policy.

This way of structuring the variable component of compensation was applied for the first time when evaluating variable compensation owing for 2019, which was measured and paid in 2020.

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

- decoupling between business growth at constant scope and exchange rates and the evolution of 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).

The Executive Management Board of Émile Hermès SAS, Active Partner, sets the actual amount of the annual compensation of each Executive Chairman, not exceeding the maximum amount of the approved compensation policy defined herein, and in accordance with the criteria and targets set out pages 35 and 36, as follows:

- target variable compensation as set by the Articles of Association ("statutory compensation") is set by applying the strict variability of the consolidated net income before tax, 10% of which is conditional on the achievement of the targets making up the CSR criterion (see above);
- fixed ("additional") 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 the Executive Chairmen's 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 variable compensation set by the Articles of Association ("statutory compensation") is guaranteed for the Executive Chairmen.

The quantifiable criteria are paramount in the calculation of the variable compensation of the Executive Chairmen.

The Executive Management Board of Émile Hermès SAS, Active Partner, relies on the recommendations of the CAG-CSR Committee.

Mr Henri-Louis Bauer, the Legal Representative of Émile Hermès SAS (Executive Chairman), does not personally receive any compensation from Hermès International. He receives compensation from Émile Hermès SAS for his functions as Executive Chairman of this company, which is unrelated to the appointment of Émile Hermès SAS as Executive Chairman of 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 page 53.

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 with the Articles of Association and the compensation policy.

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

HISTORY OF FIXED AND VARIABLE COMPENSATION PAID TO THE EXECUTIVE CHAIRMEN OVER THE LAST THREE FINANCIAL YEARS AND RESPECTIVE IMPORTANCE

Mr Axel Dumas	2022	Proportion (not pre-established)	2021	Proportion (not pre-established)	2020
Fixed compensation (referred to as "additional" in the Articles of Association)	€1,785,716 [1]	40%	€1,623,378	51%	€1,623,378
Variable compensation set by the Articles of Association ("statutory compensation") awarded in respect of the previous financial year	€2,700,742	60%	€1,559,319	49%	€1,740,045
of which CSR criterion		10%		10%	n/a
TOTAL	**€4,486,458**	**100%**	**€3,182,697**	**100%**	**€3,403,423**

(1) Mr Axel Dumas waived more than 75% of the increase, provided for by the applicable compensation policy, in his fixed compensation for 2022 ("additional"). Thus, in 2022, Mr Axel Dumas received actual fixed compensation up 10% from his actual fixed compensation for 2021.

n/a: not applicable.

Émile Hermès SAS	2022	Proportion (not pre-established)	2021	Proportion (not pre-established)	2020
Fixed compensation (referred to as "additional" in the Articles of Association)	€607,035 [1]	33%	€551,850	43%	€551,850
Variable compensation set by the Articles of Association ("statutory compensation") awarded in respect of the previous financial year	€1,259,430	67%	€727,153	57%	€830,083
of which CSR criterion		10%		10%	n/a
TOTAL	**€1,866,465**	**100%**	**€1,279,003**	**100%**	**€1,381,933**

(1) Émile Hermès SAS waived more than 75% of the increase, provided for by the applicable compensation policy, in its fixed compensation for 2022 ("additional"). Thus, in 2022, Émile Hermès SAS received actual fixed compensation up 10% from its actual fixed compensation for 2021.

n/a: not applicable.

Methods for assessing the achievement of performance criteria for variable compensation or share-based compensation (Article R. 22-10-40, I-4° of the French Commercial Code (Code de commerce))

The variable compensation set by the Articles of Association ("statutory compensation") 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 page 39 "Annual fixed and variable compensation and respective importance – CSR criterion for variable compensation":

- 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. 22-10-40, II-2° of the French Commercial Code (Code de commerce))

The current compensation policy does not provide that the Executive Chairmen are entitled to share-based compensation.

In accordance with Article 25.3.3 of the Afep-Medef Code, Executive Chairmen who are natural persons and who are beneficiaries of stock options and/or performance-based shares must make a formal commitment not to hedge their risk on options or on shares resulting from the exercise of options or on performance-based shares, until the end of the share retention period.

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

Émile Hermès SAS, 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.

Compensation of Board members in the Company and the Group's subsidiaries

The Executive Chairmen do not receive any compensation as Board members paid by the Company or by the Group's subsidiaries.

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 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 the case of Category 1 disability and 85% of reference compensation in the 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 PASS, 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 has a company car 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 SAS does not receive any benefits in kind.

At the end of the term of office

Severance payment

The Company made a commitment to pay Mr Axel Dumas compensation in an amount equal to 24 months of total compensation ("statutory" variable compensation set by the Articles of Association and "additional" fixed compensation) in the event of the termination of his duties as Executive Chairman (decision of the Supervisory Board of 4 June 2013 approved by the General Meeting of 3 June 2014 – 10th resolution "Approval of the commitments owed to Mr Axel Dumas in respect of the termination of his duties as Executive Chairman" – in accordance with 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 Chairman of Émile Hermès SAS, 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 role of the Active Partner in a *société en commandite par actions* (partnership limited by shares) – which has the power to appoint and dismiss any Executive Chairman, and in the case of a legal entity, its legal representative, it was considered that the termination of duties as Executive Chairman of Mr Axel Dumas that may result from the replacement of the Chairman of Émile Hermès SAS, should be treated as 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 therefore considered that the deferred compensation commitment made to Mr Axel Dumas complied with the requirements of the Afep-Medef Corporate Governance Code.

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

Non-compete indemnity

Mr Axel Dumas is not subject to any non-competition agreement, therefore no compensation is provided for in this respect.

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

Supplemental pension plan

Defined-contribution pension plan (Article 83 of the French General Tax Code)

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 (decision by the Supervisory Board on 4 June 2013 approved by the General Meeting of 3 June 2014 – 5th 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 (€205,680 in 2022).

Defined-benefit pension plan (Article 39 of the French General Tax Code – Article L. 137-11 of the French Social Security Code)

Mr Axel Dumas is also eligible for the supplemental pension plan established in 1991 for Company Senior Executives (decision by the Supervisory Board on 4 June 2013, approved by the General Meeting of 3 June 2014 – 5th resolution "Approval of related-party agreements and commitments").

This provision is not limited solely to the Executive Chairmen but also encompasses a wider group of Senior Executives. It may be terminated, in the case of Mr Axel Dumas, by deliberation of the Supervisory Board.

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.

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 evaluated at 4 July 2019 given the provisions of the aforementioned order of 3 July 2019, and be eligible to draw pension benefits under the statutory French social security regime.

Each participant gradually acquires potential rights, calculated each year on the basis of his or her annual reference compensation, it being specified that 2019 is 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%.

If all the eligibility conditions are met, the annual pension under this scheme would be based on:

- the average yearly compensation for the last three years;
- a percentage of the reference compensation, ranging from 0.9% to 1.5% per year of service (as at 31 December 2019). 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%.

In addition, the regulation provides for the application of two ceilings to the final amount of the annual pension:

- the amount of the annual pension is capped at 8x PASS, *i.e.* €329,088 in 2022; and
- 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 the Hermès Group and (ii) the amount of the top-up pension resulting from the regulations is capped at 70% of the last reference compensation.

For information, subject to fulfilling the conditions of the plan at the time of the liquidation of his pension, 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 financial year 2022 of the natural person Executive Chairman would represent a replacement rate (excluding mandatory plans) of 5.41%.

The plan is financed by the Company through a contract taken out with an external insurance company, and, if necessary, additional provisions are recorded in the financial statements.

The following income tax and social security charges are currently applicable to the plan:

- 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 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;
- with regard to taxation, the premiums paid to the external insurance firm may be deducted from the tax base for corporation tax.

Following the freeze on the scheme initially put in place in 1991 and from which the Executive Chairman potentially benefits, the Group has not decided on the scheme that could replace this supplemental pension plan. In the absence of any instructions to date concerning the terms of transfer of the conditional rights frozen on a vested rights plan, the Company reserves the right to subsequently assess which pension plan would be most relevant and most appropriate (including or not a possible transfer of pension rights set up in 1991).

Émile Hermès SAS, a legal entity, is not eligible for a supplemental 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

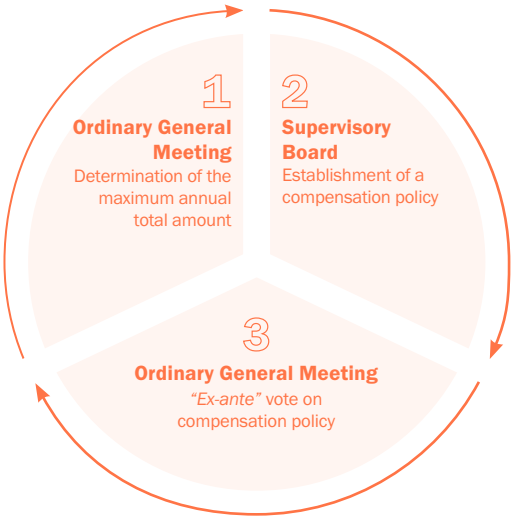
	Method of determination at 31/12/2022		
	Voluntary departure (excluding retirement)	**Forced departure**	**Retirement**
Severance payment	n/a	Subject to the applicable performance conditions: 24 months of compensation (fixed and variable)	n/a
Non-compete indemnity	n/a	n/a	n/a
Supplementary defined-benefit 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 a pension annuity of savings established as at the date of liquidation of retirement entitlements.		

n/a: not applicable.

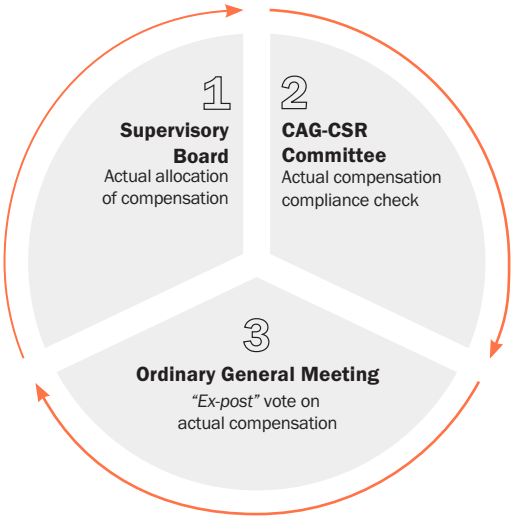
SPECIFIC PRINCIPLES APPLICABLE TO THE COMPENSATION POLICY FOR MEMBERS OF THE SUPERVISORY BOARD (NON-EXECUTIVE CORPORATE OFFICERS)

Decision-making process followed for its determination, review and implementation applicable since the 2020 General Meeting

COMPENSATION POLICY FOR MEMBERS OF THE SUPERVISORY BOARD



ACTUAL COMPENSATION OF MEMBERS OF THE SUPERVISORY BOARD



Decision-making process relating to the compensation policy for members of the Supervisory Board (Article R. 22-10-40, IV of the French Commercial Code (*Code de commerce*)

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.

Since 2020, the compensation policy for members of the Supervisory Board has been submitted to the Ordinary General Meeting each year for approval (*ex-ante* vote).

Decision-making process relating to the actual compensation of members of the Supervisory Board (Article L. 22-10-76 of the French Commercial Code (*Code de commerce*)

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.

Since 2020, the actual application of the compensation policy (including the overall actual compensation paid, and/or awarded) 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 to the approval of the Ordinary General Meeting (*ex-post* vote).

Changes made to the compensation policy for members of the Supervisory Board since the last General Meeting (Article R. 22-10-40, I-5° of the French Commercial Code (*Code de commerce*))

The General Meeting of 20 April 2022 approved, at 99.97% and without reservation, the compensation policy for the members of the Supervisory Board (see page 58).

A review of the total annual amount of compensation attributable to the members of the Supervisory Board is proposed to the Combined General Meeting of 20 April 2023. This proposal was approved by the Executive Management Board of Émile Hermès SAS, Active Partner, and the Supervisory Board of Hermès International at their Joint Council meeting on 16 February 2023.

In accordance with the decision-making process described page 43, the Supervisory Board therefore also proposes to review the criteria for distributing the compensation of the current members of the Board and of the committees (see page 45). These criteria, which remained unchanged since 2017, constitute the Board's compensation policy.

It is therefore proposed (see chapter 10 "Explanatory statements and draft resolutions", "Explanatory statement to the 12th resolution"):

1) to increase the total annual amount from €600,000 to €900,000;
2) to review the current allocation criteria accordingly (see below).

The objectives of these proposals are:

- to maintain the appeal of the Board;
- to remain competitive in the search for profiles in line with the Board's diversity policy (see Chapter 3 "Corporate Governance" § 3.4.3 of the 2022 universal registration document);
- to offer the Supervisory Board the necessary flexibility to anticipate any change in its composition and/or its functioning;
- to take into consideration the development of the activities and the heterogeneity of the subjects that the Board and its committees discuss.

This revaluation would remain lower than the market practices of CAC 40 companies. (according to the AFEP study "Compensation of directors and members of the Supervisory Board of SBF 120 companies for the 2021 financial year" of July 2022).

Subject to the approval of the 12th resolution ("Setting of the total annual amount of compensation attributable to members of the Supervisory Board – Approval of the compensation policy for members of the Supervisory Board (*ex-ante* vote)") by the Combined General Meeting of 20 April 2023, this new compensation policy will apply to the amounts awarded at the beginning of 2024 in respect of the 2023 financial year, and until a further decision by the General Meeting.

Terms of application to newly appointed or reappointed members of the Supervisory Board (Article R. 22-10-40, I-6° of the French Commercial Code (*Code de commerce*))

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

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

Exemptions provided by the Supervisory Board (Article R. 22-10-40, 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 elements comprising the compensation policy for members of the Supervisory Board (Article R. 22-10-40, 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 criteria are laid down in the Supervisory Board's compensation policy.

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 allocation criteria (on a full-year basis) approved by the Board on 6 June 2017 and set out in Article 5.1 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 the actual attendance at meetings is preponderant;
- employee representatives on the Supervisory Board do not receive compensation as members of the Supervisory 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.

Allocation criteria applicable to 2022	Fixed component	Proportion	Variable component proportional to attendance at meetings	Proportion	Maximum amounts attributable	
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	n/a	n/a
CAG-CSR COMMITTEE						
Chairman	€28,000	100.00%	n/a	n/a	€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	n/a	€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 component (35.46% for the Board and 40.00% for the committees) and a variable component proportional to actual attendance at meetings (64.54% for the Board and 60.00% for the specialised committees).

No additional compensation is paid to Board members who are not resident in France.

As indicated page 44 above, it is proposed that the next General Meeting revise the total annual amount of compensation attributable to the members of the Supervisory Board and modify the allocation criteria (full year) as follows:

Proposed allocation criteria for 2023	Fixed component	Proportion	Variable component proportional to attendance at meetings	Proportion	Maximum amounts attributable	
SUPERVISORY BOARD						
Chairman	€180,000	100.00%	n/a	n/a	€180,000	100.00%
Vice-Chairmen	€12,000	33.33%	€24,000	66.66%	€36,000	100.00%
Members	€12,000	33.33%	€24,000	66.66%	€36,000	100.00%
Employee representative members	n/a	n/a	n/a	n/a	n/a	n/a
CAG-CSR COMMITTEE						
Chairman	€40,000	100.00%	n/a	n/a	€40,000	100.00%
Members	€8,000	40.00%	€12,000	60.00%	€20,000	100.00%
AUDIT AND RISK COMMITTEE						
Chairman	€40,000	100.00%	n/a	n/a	€40,000	100.00%
Members	€8,000	40.00%	€12,000	60.00%	€20,000	100.00%

n/a: not applicable.

The allocation criteria would still include a majority variable component proportional to actual attendance at meetings (66.66% for the Board and 60.00% for the specialised committees).

The other allocation criteria would remain unchanged.

The attendance record and the corresponding allocation of annual compensation for a financial year are prepared by the CAG-CSR Committee and then approved by the Supervisory Board in the first quarter of the following financial year.

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.

- Ms Pureza Cardoso (craftsperson/trainer – Maroquinerie de Sayat), and
- Mr Rémy Kroll (Director of Special Sales and Recycling – Hermès International),

employee representative members of the Supervisory Board from 12 November 2019 to 12 November 2022,

- Ms Anne-Lise Muhlmeyer (Preparation Manager – Ateliers d'Ennoblissement d'Irigny), and
- Mr Prescience Assoh (Sales associate – Hermès Sellier),

employee representative members of the Supervisory Board since 15 November 2022, hold employment contracts within the Hermès Group and receive compensation in this respect that was

not granted by virtue of their offices. Consequently, and for reasons of confidentiality, their salaries are not disclosed.

No other members of the Supervisory Board, and in particular Mr Éric de Seynes, Chairman, are bound to the Company by an employment contract.

Options to subscribe for and purchase shares

No options to subscribe for or purchase shares were granted to Supervisory Board members in financial year 2022, nor were any such options exercised by them.

Allocation of free shares

No free shares were allocated to members of the Supervisory Board during financial year 2022.

OVERVIEW OF COMPENSATION AND BENEFITS OF ALL KINDS FOR CORPORATE OFFICERS

In accordance with the provisions of Article L. 22-10-77 of the French Commercial Code (*Code de commerce*), the corporate governance report must present all compensation and benefits of all kinds paid to Corporate Officers during the financial year or allocated in respect of their duties in 2022.

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 aforementioned items, which will be subject to global and individual *ex-post* votes at the General Meeting of 20 April 2023 (see chapter 10 "Explanatory statements and draft resolutions","Explanatory statement to the 7th to 10th resolutions").

Compensation paid to the Executive Chairmen or granted in respect of the 2022 financial year (Executive Corporate Officers) (Article L. 22-10-77 of the French Commercial Code (*Code de commerce*))

Compensation paid in financial year 2022

All fixed, variable and exceptional elements of the total compensation and benefits of any kind paid during the 2022 financial year to Mr Axel Dumas, on the one hand, and Émile Hermès SAS, on the other hand, in respect of their offices as Executive Chairmen, appear in chapter 10 "Explanatory statements and draft resolutions" "Explanatory statement to the 8th and 9th resolutions".

These elements are all consistent with the compensation policy for the Executive Chairmen presented pages 35 to 37 and page 38 *et seq.* and approved by the General Meeting of 20 April 2022.

Compensation awarded in respect of financial year 2022

The 2023 variable compensation of the Executive Chairmen, awarded in respect of financial year 2022, must be submitted to the General Meeting for approval prior to payment.

All fixed, variable and exceptional elements of the total compensation and benefits of any kind granted in respect of financial year 2022 to Mr Axel Dumas, on the one hand, and Émile Hermès SAS, on the other hand, in respect of their offices as Executive Chairmen, appear in chapter 10 "Explanatory statements and draft resolutions", "Explanatory statement to the 8th and 9th resolutions".

These elements are all consistent with the compensation policy for the Executive Chairmen presented pages 35 to 37 and page 38 *et seq.* and approved by the General Meeting of 20 April 2022.

The CAG-CSR Committee evaluated the level of achievement of the CSR criterion applicable to 10% of the variable compensation of the Executive Chairmen at its meeting of 9 January 2023 and noted that the three indicators making up the criterion were fully achieved (see table below).

Consequently, the 2023 variable compensation, awarded in respect of financial year 2022, has been calculated by applying the change in the Company's consolidated net income before tax for financial year 2022 compared with financial year 2021, *i.e.* an increase of +35.1%, to the variable compensation paid in 2022 in respect of 2021.

CSR criteria indicators	Importance	Level of achievement and justification
Quantifiable environmental criterion: Decoupling between activity growth at constant scope and exchange rates and the evolution of industrial energy consumption	1/3	100% Improvements to equipment, buildings and energy-consuming industrial processes, particularly as part of the "decarbonisation" plan, continued to bear fruit by reducing energy consumption, and in particular of fossil fuels, while consolidated revenue increased significantly over the reference period. During the reference period – from 1 November 2021 to 31 October 2022: ◆ the Group's consolidated revenue at constant exchange rates grew by +21.1%; ◆ total industrial energy consumption (including any scope effects) amounted to 160,256 MWh, a decrease of -1.17% (compared with 162,127 MWh previously). More specifically: ◆ the first actions of the "decarbonisation" plan initiated two years ago are starting to produce their results, enabling a reduction in fossil fuel energy consumption, while revenue increased sharply over the same period; ◆ for the Leather division as a whole, the decrease in consumption was around -2.2%, thanks in particular to work on heating, ventilation and air conditioning equipment; ◆ the significant reduction in gas at certain sites, in particular the Cristalleries Saint-Louis (new gas melting furnace, running on oxyfuel), the Montereau and Vivoin Tanneries (down -11% and -7%); ◆ in the Textile division: energy consumption increased by volume (+2,647 MWh), however relative to the division's revenue, it was down by -16%.
Qualitative societal criterion: Actions taken to promote the Group's local integration in France and around the world, outside of major cities	1/3	100 % The House continued its ambitious policy and numerous local integration actions in 2022, both in France and abroad, the relevance and scope of which have been recognised by several environmental, social and societal performance awards and rankings. These actions resonate with the House's model, with, at the heart of its strategy, authenticity, responsibility, humanism, a long-term vision and generosity – the desire to give back to the world part of what it has given us. Our actions in favour of strong local integration continued in 2022, demonstrating in concrete terms the House's commitment to act as a humanist, responsible company that creates jobs. These actions have been recognised by various rankings and awards, where Hermès has often won first place. ◆ The House continued its integration in the regions with very strong job creation outside major urban areas. Thus, the total number of employees in this scope increased by +8.6% to reach a total of nearly 6,000 employees (of which 92% in production) at the end of September 2022. ◆ In the area of employment, partnerships with Pôle Emploi, Cap Emploi and professional reintegration associations are rolled out with all the local partner branches of our regional divisions, making it possible to carry out the majority of our recruitment of craftspeople. These partnerships create a network with local players in order to stimulate the regions by providing access to training and employment in an inclusive and sustainable way.

CSR criteria indicators	Importance	Level of achievement and justification
Qualitative societal criterion: Actions taken to promote the Group's local integration in France and around the world, outside of major cities		◆ The Hermès École des savoir-faire, created in September 2021, and which awards a State CAP vocational qualification in leather work, extended its training in 2022 to the Cutting and stitching vocational qualification certificate. ● More than 450 craftspeople-apprentices studying for the CAP vocational qualification in leather work, spread across all our regional divisions, and in particular in Fitilieu (Isère), Charleville-Mézières (Ardennes), Marthon (Charente), Montereau (Seine-et-Marne) and Louviers (Eure). The opening of a training school in Riom (Puy-de-Dôme) for the Auvergne Leather Goods division is scheduled for 2023. ● More than 150 craftspeople-trainers who are experts in their *métiers* ensure the transmission of *savoir-faire* and support apprentices throughout 18 months of training. ◆ Hermès' commitment to transmission of skills and education also continues through its actions, notably through: ● the "Des Territoires aux grandes écoles" Foundation (annual budget of €300 thousand for three years), ● SKEMA Disability Agreement, Science Po Paris, IFM Foundation, the "Un jeune, une solution" programme through scholarships or mentoring given to students of these schools, aimed at training and facilitating the entry into professional life for all young people, in all regions. ◆ Local integration is also visible at Hermès through generous initiatives. The launch in 2022 of the "Les Ailes d'Hermès" network programme is a very good example of this. Thanks to this programme, 1,001 of the House's employees will spend one week contributing to a skills-based sponsorship operation in partnership with local players. ◆ The House's policies and actions to ensure strong local integration, and more generally its commitment to a process of constant improvement of its social, societal and environmental performance, were recognised with several awards, in particular: ● for the second year in a row, Hermès was ranked in first place among the most responsible companies in the ranking established by Le Point and Statista; ● the Humpact agency once again recognised the House's performance on the social dimension, positioning it in the top 3 most employment-friendly companies in France, all categories combined and in the top 3 companies promoting the employment of people with disabilities in France; ● Hermès was identified as the best player in the Textiles & Apparel (out of 192 companies) and Luxury Goods (out of 102 companies) sectors by Sustainalytics in its analysis of companies' ESG risk exposure.

CSR criteria indicators	Importance	Level of achievement and justification
Qualitative social criterion: Group initiatives in favour of gender equality	1/3	100 % Hermès, a responsible employer, promotes equal opportunities, diversity and inclusion in terms of employment, training, supervision and compensation, at all levels of the organisation. The House strongly reaffirms its commitment to constant improvement in this area. ◆ The gender equality index and external recognition of social performance: ● the weighted average index for the Group in France is 90/100 and 99/100 at Hermès International. In 50% of the entities concerned, the index is higher than 90/100, including in industrial environments such as Tanneries de Montereau (99/100), CSL (96/100), CATE (97/100), Lasco (93/100); in the other entities, it is higher than 80/100; ● a special mention was awarded by the Ministry in charge of Gender Equality as part of the Women in Governance Bodies Awards, in the Gender Parity in the Top 100 category (49% women); the House was ranked 15th overall (out of 116 companies). ◆ The global Diversity & Inclusion approach continued in 2022, in particular with the appointment of 26 contacts, aimed at ensuring for each of our employees an inclusive, respectful and harmonious working environment that resonates with the local environment of our subsidiaries and built around three common pillars: ● respect for the principle of non-discrimination and equal opportunities; ● diversity and gender equality; ● disability. ◆ The rollout in all subsidiaries in France of paternity leave of four weeks with maintenance of salary without any length-of-service conditions. ◆ The e-learning modules for the prevention of sexist behaviour were followed in 2022 by more than 1,500 people and around 30 harassment officers were trained. ◆ More than 950 managers have already been trained in diversity management since the launch of the ALTEREGO training (including 141 in 2022). ◆ The HECATE women's network has more than 60 members and continues its work to promote inclusion and diversity at all levels of the organisation.

Compensation paid to the Chairman of the Supervisory Board in the course of or allocated in respect of financial year 2022

All the fixed, variable and exceptional components comprising the total compensation and benefits in kind paid in the course of or awarded in respect of financial year 2022 to the Chairman of the Supervisory Board, on which the shareholders are asked to give a binding *ex-post* vote, are set out in chapter 10 "Explanatory statements and draft resolutions", "Explanatory statement to the 10th resolution".

These elements are all in line with the compensation policy for the Chairman of the Supervisory Board presented pages 35 to 37 and page 43 *et seq.* above and approved by the General Meeting of 20 April 2022.

Ratios and annual average employee compensation and ratios (Article L. 22-10-9-6° 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:
  - on the one hand, the average pay on a full-time equivalent basis of the Company's employees other than Corporate Officers,
  - on the other hand, the median pay on a full-time equivalent basis of the Company's employees other than Corporate Officers;
- 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.

Methodology used

The methodology used, in line with the Afep guidelines updated in February 2021, 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) paid to each Executive Chairman during the financial year, *i.e.*:
  - the fixed ("additional") compensation paid during the financial year under review,
  - the variable compensation set by the Articles of Association ("statutory compensation") paid during the financial year under review in respect of the prior year,
  - the exceptional compensation paid, if any, during the financial year under review,
  - other long-term compensation instruments and multi-year variable compensation paid, where applicable, during the financial year under review (taken at their IFRS value);
- 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 financial year, *i.e.*:
  - the fixed compensation paid during the financial year under review,
  - the variable compensation paid during the financial year under review in respect of the prior year,
  - the exceptional compensation paid, if any, during the financial 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;
- the scope used in the denominator is that provided for by law, *i.e.* employees of the listed company Hermès International whose headcount is representative within the meaning of the law for the determination of the ratios. It represented 408 employees as at 31 December 2022. In addition to strict compliance with the legal requirement, this choice is likely to facilitate understanding of changes in ratios and the consistency of the calculation basis over time, which will be less affected by changes in the scope of consolidation (acquisitions/disposals) within the Group;
- the following are excluded from the numerator and denominator:
  - severance payments and non-compete payments, which do not constitute recurring compensation,
  - the defined-contribution supplemental pension plan (Article 83 of the French General Tax Code), which is a post-employment benefit,
  - the defined-benefit supplemental pension plan (Article 39 of the French General Tax Code), which cannot be valued insofar as payment is conditional on the completion of the beneficiary's career in the Company,
  - benefits in kind, which represent an insignificant amount of the compensation of the Executive Chairmen.

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 indicators that are particularly relevant to the Group's business model. In addition, they are commonly used in results press releases.

AMOUNT OF COMPENSATION USED WITH REFERENCE TO THE NUMERATOR

	2022	2021	2020	2019	2018
MR AXEL DUMAS	€4,486,458 [1]	€3,182,697	€3,403,423	€3,403,423	€3,092,816
ÉMILE HERMÈS	€1,866,465 [1]	€1,279,003	€1,381,933	€1,381,933	€1,256,409
MR ÉRIC DE SEYNES	€140,000	€140,000	€140,000	€140,000	€140,000

(1)The Executive Chairmen waived more than 75% of the increase, provided for by the applicable compensation policy, in their fixed compensation for 2022 ("additional"). Thus, in 2022, the Executive Chairmen received actual fixed compensation up 10% from their actual fixed compensation for 2021.

Presentation of ratios and annual change in compensation, the performance of the Company, the average compensation of employees and ratios

MR AXEL DUMAS – EXECUTIVE CHAIRMAN	2022	2021	2020	2019	2018
Change in total compensation paid during the financial year compared with the previous financial year	41.0%	-6.5%	0.0%	10.0%	11.5%
Ratio compared with the average compensation of employees Change compared with the previous financial year	22 +5 points	17 0 point	17 -1 point	18 0 point	18 +2 points
Ratio compared with the median compensation of employees Change (in %) compared with the previous financial year	44 +10 points	34 -3 points	37 -1 point	38 +3 points	35 +3 points

ÉMILE HERMÈS SAS – EXECUTIVE CHAIRMAN	2022	2021	2020	2019	2018
Change in total compensation paid during the financial year compared with the previous financial year	45.9%	-7.4%	0.0%	10.0%	0.0%
Ratio compared with the average compensation of employees Change compared with the previous financial year	9 +2 points	7 0 point	7 0 point	7 0 point	7 0 point
Ratio compared with the median compensation of employees Change (in %) compared with the previous financial year	18 +4 points	14 -1 point	15 0 point	15 +1 point	14 0 point

MR ÉRIC DE SEYNES – CHAIRMAN OF THE SUPERVISORY BOARD	2022	2021	2020	2019	2018
Change in total compensation paid during the financial year compared with the previous financial year	0.0%	0.0%	0.0%	0.0%	0.0%
Ratio compared with the average compensation of employees Change compared with the previous financial year	1 0 point	1 0 point	1 0 point	1 0 point	1 0 point
Ratio compared with the median compensation of employees Change (in %) compared with the previous financial year	1 0 point	1 -1 point	2 0 point	2 0 point	2 0 point

EMPLOYEES OF THE LISTED COMPANY	2022	2021	2020	2019	2018
Change in the average compensation compared with the previous financial year	8.0%	-3.8%	3.4%	10.4%	1.1%

GROUP PERFORMANCE	2022	2021	2020	2019	2018
Change in consolidated revenue at constant rates	23.4%	41.8%	-6.0%	12.4%	10.4%
Change in consolidated net income before tax	35.1%	73.2%	-12.4%	9.9%	9.7%

Explanatory notes on the employees

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

The change in overall employee compensation also reflects (i) a positive dynamic of salary measures throughout the years presented, as well as (ii) the impact of allocations under employee shareholding plans. Depending on the plans and the respective duration of the vesting periods, the portion relating to these allocations may lead to a certain variation in the average and median compensation of employees in the reference 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 in chapter 2 "Corporate social responsibility and non-financial performance", § 2.2 of the 2022 universal registration document.

Compensation of the Supervisory Board, Audit and Risk Committee and CAG-CSR Committee allocated in respect of 2022 OR PAID IN 2022

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*) is detailed pages 54 and 55. This compensation constitutes the only elements referred to in Article L. 22-10-9, I of the French Commercial Code (*Code de commerce*) awarded in respect of 2022 or paid in 2022. Data relating to the past financial year will be voted on by the General Meeting in 2023 ("global" *ex-post* vote), see chapter 10 "Explanatory statements and draft resolutions", "Explanatory statement to the 7th resolution".

ALLOCATION OF FREE SHARES AND STOCK OPTIONS

General policies for the allocation of free shares and stock options

Allocations of stock options and free share awards form part of the Hermès Group's long-term compensation and retention 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 in chapter 2 "Corporate social responsibility and non-financial performance", § 2.2. of the 2022 universal registration document.

Free share allocation plans in force

In accordance with Article L. 225-197-4 of the French Commercial Code (*Code de commerce*), information is provided on free share allocation plans carried out in financial year 2022.

Executive Management was authorised by the Extraordinary General Meetings of 31 May 2016, 24 April 2020 and 4 May 2021 to award free existing shares in the Company, on one or more occasions, to employees of the Company or certain categories thereof, or Senior Executives, as well as to employees and Senior Executives of companies affiliated to the Company. The conditions of delegations of authority still in force are shown in Chapter 4 "Summary table of the use of financial delegations of authority.

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.

These delegations of authority were not used in 2022.

Details of free share award plan terms and conditions (and, in particular, vesting periods, retention periods and the application of performance conditions, where applicable) are presented page 57 in "Table N° 10" and details of free shares awarded to the top 10 employee beneficiaries who are not Corporate Officers are presented page 57 in "Table N° 10 BIS".

In accordance with the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code (*Code de commerce*), these awards are always contingent on presence conditions and, for certain plans, also on performance conditions. To harmonise the vesting conditions, the free shares granted by Executive Management in 2016 (plan [f]) and in 2019 (plans [h] and [i]) 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 provisions of the 15th 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.

Free share awards do not dilute the share capital because they consist exclusively of existing shares in the Company. Their value at the grant date, calculated according to the method used for the consolidated financial statements, is shown in chapter 5 "Consolidated financial statements", § 5.6 (Note 5.4) of the 2022 universal registration document.

Stock 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 2022.

There were no stock option plans in place as at 31 December 2022, as indicated page 56 in "Table N° 8".

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 DRAWN UP IN ACCORDANCE WITH AMF POSITION-RECOMMENDATION DOC 2021-02 (§ 13.3) OF 5 JANUARY 2022 ON THE PRESENTATION OF COMPENSATION

The standardised presentation of all the components of compensation provided for in Appendix 2 of position recommendation DOC-2021-02 of 5 January 2022 is presented below.

TABLE 1

Summary table of compensation and options and shares allocated to each Executive Chairman

	2022	2021
Mr Axel Dumas	From 01/01/2022 to 31/12/2022	From 01/01/2021 to 31/12/2021
Compensation awarded in respect of the financial year (detailed in Table 2)	€4,486,458	€3,182,697
Valuation of multi-year variable compensation awarded during the financial year	n/a	n/a
Valuation of options granted during the financial year (detailed in Table 4)	n/a	n/a
Valuation of free shares allocated (detailed in Table 6)	n/a	n/a
Valuation of other long-term compensation plans	n/a	n/a
Total natural person as Executive Chairman	**€4,486,458** [1]	**€3,182,697**
Émlle Hermès SAS	From 01/01/2022 to 31/12/2022	From 01/01/2021 to 31/12/2021
Compensation awarded in respect of the financial year (detailed in Table 2)	€1,866,465	€1,279,003
Valuation of multi-year variable compensation awarded during the financial year	n/a	n/a
Valuation of options granted during the financial year (detailed in Table 4)	n/a	n/a
Valuation of free shares allocated (detailed in Table 6)	n/a	n/a
Valuation of other long-term compensation plans	n/a	n/a
Total legal entity as Executive Chairman	**€1,866,465** [1]	**€1,279,003**

(1)The Executive Chairmen waived more than 75% of the increase, provided for by the applicable compensation policy, in their fixed compensation for 2022 ("additional"). Thus, in 2022, the Executive Chairmen received actual fixed compensation up 10% from their actual fixed compensation for 2021.

n/a: not applicable.

TABLE 2

Summary table of the compensation of each Executive Chairman [1]

	2022		2021	
Gross annual compensation of the Executive Chairmen	**Amounts awarded**	**Amounts paid**	**Amounts awarded**	**Amounts paid**
Mr Axel Dumas				
Fixed compensation (referred to as "additional" in the Articles of Association) [1]	€2,301,950	€1,785,716	€1,623,378	€1,623,378
Annual variable compensation set by the Articles of Association ("statutory compensation")	€2,700,742	€2,700,742	€1,559,319	€1,559,319
Multi-year variable compensation	n/a	n/a	n/a	n/a
Exceptional compensation	n/a	n/a	n/a	n/a
Total compensation	**€5,002,692**	**€4,486,458**	**€3,182,697**	**€3,182,697**
Compensation allocated on account of the office as member of the Board	n/a	n/a	n/a	n/a
Benefits in kind	Representation	Representation	Representation	Representation
Émlle Hermès SAS				
Fixed compensation (referred to as "additional" in the Articles of Association) [1]	€782,523	€607,035	€551,850	€551,850
Annual variable compensation set by the Articles of Association ("statutory compensation")	€1,259,430	€1,259,430	€727,153	€727,153
Multi-year variable compensation	n/a	n/a	n/a	n/a
Exceptional compensation	n/a	n/a	n/a	n/a
Total compensation	**€2,041,953**	**€1,866,465**	**€1,279,003**	**€1,279,003**
Compensation allocated on account of the office as member of the Board	n/a	n/a	n/a	n/a
Benefits in kind	n/a	n/a	n/a	n/a

(1)The Executive Chairmen waived more than 75% of the increase, provided for by the applicable compensation policy, in their fixed compensation for 2022 ("additional"). Thus, in 2022, the Executive Chairmen received actual fixed compensation up 10% from their actual fixed compensation for 2021.

n/a: not applicable.

TABLE 3

Table of compensation received by Supervisory Board members

	Amounts awarded in respect of financial year 2022 and amounts paid in 2023	Amounts awarded in respect of 2021 and amounts paid in 2022
Total amount of compensation allocated by the General Meeting of Hermès International	€600,000	€600,000
Total amount of compensation actually awarded by Hermès International	€573,800	€560,800
Mr Éric de Seynes		
Compensation as Chairman of the Supervisory Board	€140,000	€140,000
Compensation as member of the Hermès Sellier Management Board	€3,000 [1]	€3,000 [1]
Mr Prescience Assoh (employee representatives) [2]		
Compensation as member of the Supervisory Board	n/a	-
Ms Monique Cohen		
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 Chairwoman of the Audit and Risk Committee	€28,000	€28,000
Ms Dominique Senequier		
Compensation as member of the Supervisory Board	€23,000	€23,000
◆ *fixed component*	€10,000	€10,000
◆ *variable component based on attendance*	*€13,000*	*€13,000*
Compensation as Chairwoman of the CAG-CSR Committee	€28,000	€28,000
Ms Dorothée Altmayer		
Compensation as member of the Supervisory Board	€28,200	€25,600
◆ *fixed component*	€10,000	€10,000
◆ *variable component based on attendance*	*€18,200*	*€15,600*
Compensation as Director of Comptoir Nouveau de la Parfumerie	€2,000 [1]	€3,000 [1]
Mr Charles-Éric Bauer		
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 member of the Audit and Risk Committee	€13,000	€13,000
◆ *fixed component*	€5,200	€5,200
◆ *variable component based on attendance*	*€7,800*	*€7,800*
Ms Estelle Brachlianoff		
Compensation as member of the Supervisory Board	€28,200	€25,600
◆ *fixed component*	€10,000	€10,000
◆ *variable component based on attendance*	*€18,200*	*€15,600*
Compensation as member of the Audit and Risk Committee	€10,400	€10,400
◆ *fixed component*	€5,200	€5,200
◆ *variable component based on attendance*	*€5,200*	*€5,200*
Compensation of member of the CAG-CSR Committee	€10,400	€10,400
◆ *fixed component*	€5,200	€5,200
◆ *variable component based on attendance*	*€5,200*	*€5,200*
Ms Pureza Cardoso (employee representative) [3]		
Compensation as member of the Supervisory Board	n/a	n/a
Mr Matthieu Dumas		
Compensation as member of the Supervisory Board	€28,200	€25,600
◆ *fixed component*	€10,000	€10,000
◆ *variable component based on attendance*	*€18,200*	*€15,600*
Compensation of member 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	€3,000 [1]	€3,000 [1]

	Amounts awarded in respect of financial year 2022 and amounts paid in 2023	Amounts awarded in respect of 2021 and amounts paid in 2022
Mr Blaise Guerrand		
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 member of the Hermès Sellier Management Board	€3,000 [1]	€1,500 [1]
Ms Julie Guerrand		
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*
Ms Olympia Guerrand		
Compensation as member of the Supervisory Board	€28,200	€25,600
◆ *fixed component*	€10,000	€10,000
◆ *variable component based on attendance*	*€18,200*	*€15,600*
Compensation as member of the Hermès Sellier Management Board	€3,000 [1]	€3,000 [1]
Mr Rémy Kroll (employee representative) [3]		
Compensation as member of the Supervisory Board	n/a	n/a
Mr Renaud Momméja		
Compensation as member of the Supervisory Board	€28,200	€25,600
◆ *fixed component*	€10,000	€10,000
◆ *variable component based on attendance*	*€18,200*	*€15,600*
Compensation as member of the Audit and Risk 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	€1,000 [1]	€3,000 [1]
Ms Anne-Lise Muhlmeyer (employee representative) [2]		
Compensation as member of the Supervisory Board	n/a	-
Mr Alexandre Viros		
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 member of the Audit and Risk Committee	€13,000	€13,000
◆ *fixed component*	€5,200	€5,200
◆ *variable component based on attendance*	€7,800	€7,800

n/a: not applicable

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

(2) Employee representative member of the Supervisory Board appointed on 15 November 2022.

(3) Employee representative member of the Supervisory Board representing employees whose term expired on 12 November 2022.

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TABLE 4

Options to subscribe for or purchase shares granted during the financial year to the Executive Chairmen by Hermès International and by any Group company

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	n/a
TOTAL	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

n/a: not applicable.

TABLE 5

Exercise of options to subscribe for or purchase shares 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
TOTAL	**n/a**	**n/a**	**n/a**

n/a: not applicable.

TABLE 6

Free shares allocated 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
TOTAL	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

n/a: not applicable.

TABLE 7

Free shares allocated and becoming available during the financial year for each Executive Chairman

Name of the 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
TOTAL		**0**	**n/a**

n/a: not applicable.

TABLE 8

History of allocation of options to subscribe for or purchase shares

Information on the stock subscription or purchase options

General Meeting of 25/05/1998 (6th resolution) – Subscription or purchase options	Plans 1 to 4 expired
General Meeting of 03/06/2003 (15th resolution) – Purchase options	Plans 5 and 6 expired
General Meeting of 06/06/2006 (9th resolution) – Purchase options	Plan 7 expired
General Meeting of 02/06/2009 (14th resolution) – Purchase options	No plan implemented in 2009, 2010 or 2011
General Meeting of 30/05/2011 (21st resolution) – Purchase options	No plan implemented in 2011 or 2012
General Meeting of 29/05/2012 (13th resolution) – Purchase options	No plan implemented in 2012 or 2013
General Meeting of 04/06/2013 (18th resolution) – Purchase options	No plan implemented in 2013 or 2014
General Meeting of 03/06/2014 (16th resolution) – Purchase options	No plan implemented in 2014 or 2015
General Meeting of 02/06/2015 (14th resolution) – Purchase options	No plan implemented in 2015 or 2016
General Meeting of 31/05/2016 (14th resolution) – Purchase options	No plan implemented from 2016 to 2019
General Meeting of 24/04/2020 (18th resolution) – Purchase options	No plan implemented from 2020 to 2022
General Meeting of 20/04/2022 (18th resolution) – Purchase options	No plan implemented in 2022

TABLE 9

Options to subscribe for or purchase shares granted to the top 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
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 10

History of free share and performance share allocation plans still in force as at 1 January 2022

Information on free shares allocated

	Plan h	Plan i
Date of General Meeting	31/05/2016 (15th resolution)	31/05/2016 (15th resolution)
Date of the decision by the Executive Management	01/07/2019	01/07/2019
Total number of shares allocated [1]	310,944 [2]	189,600 [2]
Shares allocated to Senior Executives [3]	192	24,000
Number of Senior Executives [3] concerned	8	8
Proportion of allocations of shares to Senior Executives as % of share capital	n.m.	0.02%
French tax residents on the grant date	2 tranches of 12 shares	
Vesting period	4/5 years	4 years
Date of transfer of ownership of shares	03/07/2023 01/07/2024	03/07/2023
End of the retention period	n/a	n/a
Tax residents outside France on the grant date	2 tranches of 12 shares	
Vesting period	4/5 years	4 years
Date of transfer of ownership of shares	03/07/2023 01/07/2024	03/07/2023
End of the retention period	n/a	n/a
Performance conditions	No	Yes [4]
Number of shares vested [5] as at 31/12/2022	672	0
Number of shares lost as at 31/12/2022	41,712	53,400

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

(1) Maximum.

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

(3) The following are treated as Senior Executives in this Table 10: Executive Chairmen, members of the Supervisory Board (excluding employee representatives) and members of the Executive Committee of the issuer on the grant date.

(4) On 17 February 2021, the CAG-CSR Committee noted that the performance conditions relating only to financial year 2020 had not been achieved.

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

TABLE 10 BIS (Drawn up pursuant to Article L. 225-197-4 of the French Commercial Code (*Code de commerce*))

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

	Total number of shares awarded	Date of plans
Shares awarded during the financial 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)	0	n/a

n/a: not applicable.

TABLE 11

Senior Executives (natural persons)	Employment contract	Supplemental pension plan	Compensation or benefits due or liable to be due because of the cessation of or change in duties [1]	Compensation relative to a non-compete 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 [2]	Yes	Yes	No

(1) Details of these commitments can be found in chapter 10 "Explanatory statements and draft resolutions", "Explanatory statement to the 8th resolution".

(2) Since 5 June 2013.

SUMMARY TABLE OF THE VOTES OF THE GENERAL MEETING ON THE RESOLUTIONS RELATING TO THE COMPENSATION OF CORPORATE OFFICERS

The summary table below shows the results of the votes on all the resolutions relating to the compensation of Corporate Officers.

	GM 2022 (2021 financial year) [1]
Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended to the Corporate Officers (global *ex-post* vote) – 7th resolution	Resolution approved at 92.93%
Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended to Mr Axel Dumas, Executive Chairman (individual *ex-post* vote) – 8th resolution	Resolution approved at 92.92%
Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended to the company Émile Hermès SAS, Executive Chairman (individual *ex-post* vote) – 9th resolution	Resolution approved at 92.91%
Approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended to Mr Éric de Seynes, Chairman of the Supervisory Board (individual *ex-post* vote) – 10th resolution	Resolution approved at 99.96%
Approval of the compensation policy for the Executive Chairmen (*ex-ante* vote) – 11th resolution	Resolution approved at 92.34%
Approval of the compensation policy for Supervisory Board members (*ex-ante* vote) – 12th resolution	Resolution approved at 99.97%

(1) Details of the results of the votes at the General Meeting are available on the Company's financial website https://finance.hermes.com/en/general-meetings/.