

PRESS RELEASE

Paris, 15 February 2024

6.30 p.m (Paris time)

EXECUTIVE CHAIRMEN COMPENSATION

In accordance with the AFEP/MEDEF Corporate Governance Code updated in December 2022 (art. 27.1) HERMÈS INTERNATIONAL discloses information on all potential or acquired elements of its Executive Chairmen compensation, immediately following the Board meeting having established these elements.

Principles

The compensation elements detailed below, relating to the 2023 financial year, are all in line with the Executive Chairmen compensation policy approved by the Shareholders' General Meeting of April 20, 2023 and presented in the [2022 Universal Registration Document](#) (Chapter 3 « Corporate Governance » § 3.8.1. page 293 *et seq.*).

This policy was renewed for the 2024 financial year, subject to the changes presented hereafter. It will be submitted to the approval of the Shareholders' General Meeting of April 30, 2024.

2024 Fixed compensation and Variable compensation in respect of 2023 financial year

2024 Fixed compensation (« Additional »)

In compliance with the compensation policy in force, the 2024 fixed compensation was calculated by applying to the fixed remuneration for 2023 the variation in the Company's consolidated revenue for the 2023 financial year compared to the 2022 financial year, *i.e.* an increase of +20.6%.

Émile Hermès SAS' fixed compensation for 2023 was therefore set at €903,392, and the one of Mr Axel Dumas was set at €2,657,510 (actual amounts to be paid).

Variable compensation in respect of 2023 financial year (« Statutory »)

At its meeting of 11 January 2024, the CAG-CSR committee evaluated the level of achievement of the CSR criterion applicable to 10% of the variable compensation of the Executive Chairmen and noted that the three indicators making up the criterion were fully achieved. As a result, the variable compensation awarded in respect of financial year 2023, has been calculated by applying to the variable compensation effectively paid in 2023 (in respect of the 2022 financial year) the change in the Company's consolidated net income before tax for financial year 2023 compared with 2022, *i.e.* an increase of +26.9%.

Émile Hermès SAS' variable compensation for 2024 was therefore set at €2,159,191, and the one of Mr Axel Dumas was set at €4,630,203 (actual amounts to be paid).

Pursuant to article L.22-10-77, II of the French Commercial Code, the payment of this variable compensation is subject to the approval of the respective resolutions to be submitted to the vote of the shareholders at the General Meeting of April 30, 2024.

The actual compensation of the Executive Chairmen has been submitted to:

- a decision by the Management Board of the General Partner (*Conseil de gérance de l'associé commandité*) that strictly applied the principle of variability contained in the statutory provisions,
- a compliance control with the articles of association and the compensation policy by the CAG-CSR Committee,
- a deliberation by the Supervisory Board.

Revised compensation policy of the Executive Chairmen

In compliance with the decision-making process applicable to the compensation policy for the Executive Chairmen, the Management Board of Emile Hermès SAS – General Partner – proposed the renewal of the compensation policy previously approved in all of its dispositions – and called to be submitted to the Shareholders' General Meeting of April 30, 2024 (*ex-ante* vote), subject to two amendments.

Proposed amendments

The first amendment concerns fixed compensation – or additional compensation according to the articles of association. It is proposed to limit the annual change in the fixed compensation of the Executive Chairmen to 5%. Thus, the indexation of the fixed compensation will remain aligned with the variation in the Company's consolidated revenue achieved for the previous fiscal year, at constant exchange rate and scope, compared to the penultimate fiscal year, but without being able to exceed an increase of 5% compared to the previous fixed remuneration (ceiling).

The second amendment concerns the supplemental pension plan. It was decided to propose the setting up of a funded defined-pension plan, under Article 82 of the French General Tax Code, to take over from the defined-benefit pension plan under Article 39 of the aforementioned Code, for which the rights' acquisition has been frozen since December 31, 2019 – and from which the natural person Executive Chairman potentially benefits.

In accordance with the dispositions of the French Commercial Code (art. R. 22-1-40), the acquisition of rights linked to this defined contribution pension plan will be subject to clear, detailed and varied performance conditions, both financial and non-financial, that contribute to the objectives of the compensation policy.

This proposal to amend the compensation policy of the Executive Chairmen, which remained unchanged since 2020 when a CSR criterion was introduced for the variable compensation, was presented to the CAG-CSR Committee of February 7, 2024, and then to the Supervisory Board of February 8, 2024, which unanimously issued a favorable advisory opinion.

The amended components of compensation will be detailed in the 2023 Universal Registration Document (chapter 3 « Corporate Governance »).

This proposal will be submitted to the approval of the Shareholders' General Meeting of April 30, 2024.