

Press Release - 2011

In accordance with the AFEP/MEDEF Corporate Governance Code dated December 2008, Hermès International is disclosing information on all elements of the compensation of its Executive Chairmen, present and deferred.

• COMPENSATION AND BENEFITS IN KIND

Principles

Article 17 of the Articles of Association provides for each Executive Chairman to receive certain compensation, together with possible additional compensation, the maximum amount of which is determined by the Ordinary General Meeting with the unanimous approval of the active partners. In accordance with these provisions:

- The gross annual compensation of each Executive Chairman provided by the Articles of Association is capped at 0.20% of the Company's consolidated income before tax in the previous financial year;

Within the ceiling set forth above, which amounts to €1,305,162 based on the 2010 accounts, the Management Board of the Active Partner Émile Hermès SARL sets the actual amount of the annual compensation of each Executive Chairman provided by the Articles of Association;

- The Ordinary General Meeting of 31 May 2001 decided to allocate additional compensation to each Executive Chairman, at that time subject to a ceiling of €457,347.05. This ceiling, which can only be adjusted upwards, is indexed each year to growth in the Company's consolidated revenue for the previous financial year at constant exchange rates and on the same scope of consolidation, by comparison with revenue for the next to last financial year;

Within the limits of the ceiling defined above, which is €1,085,783 based on the 2010 accounts, the Management Board of Émile Hermès SARL, the sole Active Partner, sets the actual amount of the additional annual compensation of each Executive Chairman.

2011 compensation and benefits in kind

At its meeting on 3 March 2011, in the light of the group's excellent results in 2010, the Management Board of Emile Hermès SARL decided that in 2011, the Executive Chairmen should receive the maximum compensation provided by the Articles of Association as well as the additional compensation. However, Mr Patrick Thomas, Executive Chairman, expressly requested that the increase in his own compensation be limited to 5%, which the Management Board naturally accepted.

Consequently, in 2011, the Executive Chairmen will receive:

- gross *annual compensation provided by the Articles of Association* of €1,305,162 for Emile Hermès SARL and of €931,705 for Mr Patrick Thomas (given the 5% cap on the increase in his compensation);
- gross *annual additional compensation* of €1,085,783 for Emile Hermès SARL and of €870,719 for Mr Patrick Thomas (given the 5% cap on the increase in his compensation).

Mr Patrick Thomas has the use of company car, which is his sole benefit in kind.

At the meeting of the Supervisory Board on 3 March 2011, the Compensation, Appointments and Governance Committee stated that it had ascertained that the compensation of the Executive Chairmen was in accordance with the Articles of Association and with the decisions of the Active Partner.

• OTHER COMPONENTS OF COMPENSATION

Pension plan

Mr Patrick Thomas is eligible for the top-up pension scheme set up in 1991 for the benefit of the company's management executives.

Mr Patrick Thomas is also eligible for the supplementary defined-contribution pension scheme set up for the benefit of all employees of the Group's French companies. The maximum pension, including payments under the basic, top-up and supplementary schemes, cannot under any circumstance exceed 70% of the most recent annual compensation (as provided by the Articles of Association plus additional compensation).

It is a fundamental condition of the pension regulations that in order to benefit from the scheme, beneficiaries must have reached the end of their professional career with the company and be eligible to draw pension benefits under the basic state Social Security regime.

Deferred compensation obligations

The Company has agreed to pay Mr Patrick Thomas an amount equal to 24 months' total compensation (the sum of his compensation provided by the Articles of Association and additional compensation), in the event that his appointment as Executive Chairman is terminated. This commitment is subject to meeting certain performance conditions. The amount of this payment will automatically be charged, as of right, to the amount of any other payment that might be due to Mr Patrick Thomas in respect of the termination of his currently suspended contract of employment.

This commitment was made by decision of the Supervisory Board at its meeting on 19 March 2008 and was approved by the Combined General Meeting on 3 June 2008.

Options to subscribe for and to purchase shares - Bonus shares

No stock options, bonus shares or performance shares were granted to Mr Patrick Thomas in 2010.

Contract of employment

Mr Patrick Thomas' contract of employment has been suspended for the duration of his term of office as Executive Chairman.

The Company's corporate governance practices and all components of the Executive Chairmen's compensation will be set out in detail in the Company's 2010 *Registration Document*.