

# Christian Dior

## RULES OF PROCEDURE OF THE NOMINATIONS AND COMPENSATION COMMITTEE

AS OF JANUARY 29, 2019

The Board of Directors has formed a specialized committee responsible for selecting directors and determining their compensation, acting under the Board of Directors' responsibility.

## **1. MEMBERSHIP OF THE COMMITTEE**

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The Nominations and Compensation Committee shall consist of at least three Directors and/or Advisory Board members. The majority of its members shall be independent. Its members shall be appointed by the Board of Directors.

The Board of Directors shall appoint a Chairman of the Committee from among its members.

Neither the Chairman of the Board of Directors, nor any Director serving as Chief Executive Officer or Group Managing Director of Christian Dior or compensated by any Christian Dior subsidiary, may be a member of the Committee.

A Director may not be appointed to the Committee if he/she comes from a company within which a Director of Christian Dior serves on a committee comparable in function.

## **2. ROLE OF THE COMMITTEE**

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After undertaking its own review, the Committee is tasked with issuing opinions on applications and reappointments to the positions of Director and Advisory Board member, making certain that the Company's Board of Directors includes prominent independent persons from outside the Company. In particular, it shall discuss the independence of Board members with respect to applicable criteria. Furthermore, it shall make proposals on the appointment or reappointment of the Chairman of the Performance Audit Committee.

The Chairman of the Board of Directors or any Director serving as Chief Executive Officer or Group Managing Director may also seek the Committee's opinion on candidates for senior management positions within the Company. The Committee is the consultative body responsible for defining the steps to be taken if such an office should unexpectedly fall vacant.

After review, the Committee shall make proposals on the apportionment of directors' fees paid by the Company and shall prepare a summary table of the directors' fees actually paid to each Director.

It shall make proposals to the Board on fixed and variable compensation and benefits in kind to be awarded to (i) the Chairman of the Company's Board of Directors, its Chief Executive Officer and its Group Managing Director<sup>(s)</sup> and (ii) Directors and Advisory Board members who are employees of the Company or any of its subsidiaries by virtue of an employment contract; it shall also issue an opinion on any consulting agreements entered into, whether directly or indirectly, with those same individuals. The Committee shall make recommendations as to the qualitative and numerical criteria based on which the variable portion of compensation for senior executive officers is to be determined as well as the performance conditions applicable to the exercise of options and the vesting of bonus shares.

The Committee shall express its opinion on the general policy for the allotment of options and bonus shares by the Company, and shall make proposals on the award of options and bonus shares to senior executive officers and to Directors and Advisory Board members who are employees of the Company or any of its subsidiaries by virtue of an employment contract.

It shall formulate a position on any supplementary pension plans put in place for senior executive officers of the Company and make recommendations on any retirement benefits that might be paid to them upon leaving the Company.

The Committee shall issue an opinion on fixed and variable components of compensation, whether immediate or deferred, benefits in kind, and options and bonus shares to be awarded by the Company to its Directors and senior executive officers. To this end, the Committee may request copies of any agreements entered into with those individuals and of any accounting information pertaining to payments made.

The Committee shall also keep abreast of procedures relating to the payment of external contractors' fees and reimbursement of their expenses, and shall make any recommendations deemed necessary pertaining thereto.

The Committee shall prepare a draft report each year for the Shareholders' Meeting, which it shall submit to the Board of Directors, on the compensation of Company officers, any bonus shares awarded to them during the fiscal year and any stock options awarded to or exercised by them during the same period. This report shall also list the ten employees of the Company who received and exercised the most options.

### **3. OPERATING PROCEDURES OF THE COMMITTEE**

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Agreement by a Director to serve on the Committee implies that he/she will devote the necessary time and energy to his/her duties as a member of the Committee.

The Committee shall meet as often as necessary, at the initiative of its Chairman, the Chairman of the Board of Directors, the Director serving as Chief Executive Officer, or any two Committee members.

The Chairman of the Board of Directors, the Chief Executive Officer and the Group Managing Director shall not take part in any of the Committee's work pertaining to their compensation.

The proceedings of the Committee are confidential and shall not be discussed outside the Board of Directors.

Decisions by the Committee shall be made by simple majority vote and shall be deemed to have been reached by the Committee as a whole.

### **4. PREROGATIVES OF THE COMMITTEE**

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The Committee shall report on its work to the Board of Directors. It shall submit its findings, recommendations and suggestions to the Board.

Members of the Committee may request any and all available information that they deem necessary for the purposes of performing their duties.

Unfavorable opinions issued by the Committee on any proposal must be substantiated.

### **5. COMPENSATION OF COMMITTEE MEMBERS**

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The Committee's members and Chairman may receive specific attendance fees, the amount of which shall be determined by the Board of Directors and counted against the total budget approved by the shareholders at a Shareholders' Meeting.