

Corporate governance

GENERAL PRINCIPLES

Richemont (the 'Group') is committed to maintaining a high standard of corporate governance. It subscribes to the principles laid down in the Swiss Code of Best Practice for Corporate Governance published by 'economiesuisse', the Swiss Business Federation. It also adheres to the requirements of the 'Directive on Information Relating to Corporate Governance' ('DCG'), issued by SIX Swiss Exchange. In addition to Swiss law, the Group complies with the Listing Rules of SIX Swiss Exchange. It also complies with the rules of the Johannesburg stock exchange, to the extent that they apply to companies with secondary listings there.

The Group's corporate governance principles and practices are reviewed by the Audit Committee and the Board on a regular basis in the light of prevailing best practices.

The Group's principles of corporate governance are embodied in the statutes of Compagnie Financière Richemont SA, in its Corporate Governance Regulations and in the terms of reference of the Audit, Compensation and Nomination Committees of the Compagnie Financière Richemont SA Board. The Corporate Governance Regulations are available on the Group's website: www.richemont.com

This section of the annual report follows the recommendations of SIX Swiss Exchange DCG. Headings follow the format of the DCG and cross-references to other sections of the report are provided where appropriate. In certain instances, where the issues contained in the directive do not apply to Richemont or where the amounts involved are not material, no disclosure may be given.

1. GROUP STRUCTURE AND SIGNIFICANT SHAREHOLDERS

Structure

Compagnie Financière Richemont SA (the 'Company') is a Swiss company with its registered office at 50, chemin de la Chênaie, CH 1293 Bellevue, Geneva. The Company's Board of Directors (the 'Board') is the Group's supervisory board, composed of a majority of non-executive directors.

From the Company's formation in 1988 until 20 October 2008, shares in Compagnie Financière Richemont SA were indivisibly twinned with participation certificates issued by its wholly-owned subsidiary, Richemont SA, Luxembourg to form Richemont equity units. On 20 October 2008, the shares and participation certificates were de-twinned as part of a Group reorganisation. The reorganisation saw non-luxury assets, including the interest in British American Tobacco plc ('BAT'), spun out to unitholders through an independent entity, Reinet Investments S.C.A. ('Reinet'). Reinet is listed on the Luxembourg Stock Exchange. Other than in respect of the de-twinning, the Company's 1 044 000 000 shares were not directly impacted by the reorganisation.

The Group's luxury goods businesses are separated into four segments for presentation purposes: (i) jewellery, (ii) specialist watchmaking, (iii) writing instruments and (iv) other businesses.

Each of the Maisons in the Group enjoys a high degree of autonomy, with its own management group under a chief executive officer. To complement those businesses, the Group has established central functions and a regional structure around the world to provide central controlling and support services in terms of distribution, finance, legal and administration services.

Details of the principal companies within the Group, are set out in note 39 to the Group's consolidated financial statements. The market capitalisation and ISIN number of the Richemont 'A' shares are given in section 2 of the corporate governance report, which deals with the capital structure.

Compagnie Financière Rupert

Compagnie Financière Rupert, a Swiss partnership limited by shares, holds 522 000 000 Richemont 'B' registered shares representing 9.1 per cent of the equity of the Group and controlling 50 per cent of the Company's voting rights. Mr Johann Rupert, the Executive Chairman and Chief Executive Officer of Richemont, is the sole General Managing Partner of Compagnie Financière Rupert. Mr Jürgen Schrempp and Mr Ruggero Magnoni, both non-executive directors of the Company, and Mr Jan Rupert, an executive director of the Company, are partners of Compagnie Financière Rupert.

Compagnie Financière Rupert does not itself hold any Richemont 'A' shares. Parties associated with Mr Johann Rupert and Compagnie Financière Rupert held a further 2 811 664 'A' shares or 'A' share equivalents at 31 March 2010.

Other significant shareholders

Public Investment Corporation Limited ('PIC'), Pretoria, South Africa notified the Company on 22 February 2008 that accounts under its management held Richemont South African Depository Receipts equivalent to 32 633 436 'A' shares in the Company. At that date, PIC's holding indirectly represented 3.13 per cent of the Company's voting rights.

On 19 May 2009, Richemont Employee Benefits Limited ('REBL'), an indirectly held subsidiary, notified the Company that it had acquired shares and the right to acquire further shares equivalent to 31 705 935 'A' shares or 3.04 per cent of the Company's voting rights. The shares and rights were acquired by REBL to hedge liabilities arising from the Group's stock option plan. At the same date, REBL notified the Company that it held disposal positions arising from the Group's long-term stock option plan equivalent to 43 211 994 'A' shares or 4.14 per cent of the voting rights of the Company.

As at the date of this report, the Company has received no other notifications of significant shareholdings representing in excess of 3 per cent of the voting rights.

Changes in significant shareholdings are promptly notified to SIX Swiss Exchange, which simultaneously publishes such notifications on its website.

Cross shareholdings

Richemont does not hold an interest in any company which is itself a shareholder in the Group.

2. CAPITAL STRUCTURE

Shares

There are 522 000 000 'A' bearer shares and 522 000 000 'B' registered shares in issue. Richemont 'A' bearer shares are listed and traded on SIX Swiss Exchange. Until 3 May 2009, the shares were traded on SWX Europe based in London. From 4 May 2009, in common with other Swiss securities included in the Swiss Market Index, trading of Richemont 'A' shares was transferred back to SIX Swiss Exchange in Zürich. The 'B' registered shares are not listed and are held by Compagnie Financière Rupert, as detailed above. Each 'A' bearer share has a par value of CHF 1.00 and each 'B' registered share has a par value of CHF 0.10. Further details are given in note 18 to the Group's consolidated financial statements.

During the three years ended 31 March 2010, the only change to the capital structure has been the de-twinning of 20 October 2008, outlined in section 1 above.

At 31 March 2010, Richemont's market capitalisation, based on a closing price of CHF 40.83 per share and a total of 522 000 000 'A' shares in issue, was CHF 21 313 million. The overall valuation of the Group at the year end, reflecting the value of both the listed 'A' shares and the unlisted 'B' shares, was CHF 23 445 million.

Over the preceding year, the highest closing price of the 'A' share was CHF 41.73 on 18 March 2010, and the lowest closing price of the 'A' share was CHF 18.52 on 1 April 2009.

The ISIN of Richemont 'A' shares is CH0045039655 and the Swiss 'Valorenummer' is 4503965.

Dividend

Holders of 'A' and 'B' shares enjoy the same dividend rights, but due to the differing par values of the two classes of shares, 'B' shareholders receive one-tenth of the dividend per share paid to holders of the 'A' shares.

In respect of the financial year ended 31 March 2010, a dividend of CHF 0.350 per 'A' share and CHF 0.035 per 'B' share has been proposed.

Share buy-back programmes

Over the course of the ten-year period ended 31 March 2009, the Group had repurchased a total of 34 552 934 former 'A' units and 3 649 884 'A' shares through the market to meet obligations under stock option plans for executives.

During the year under review, the Group acquired 67 950 'A' shares through a forward purchase agreement and repurchased a further 9 975 192 'A' shares through the market between 14 May 2009 and 23 July 2009. The purchases through the market were in respect of an extension to an existing share buy-back programme and were fully disclosed in accordance with the terms of the Swiss Takeover Board.

Taking into account the exercise of options by executives during the course of the year, the balance of 'A' shares held in treasury at 31 March 2010 was 20 253 282 shares. At that date, the Group also held over-the-counter call options over 13 612 171 'A' shares.

On 26 May 2010, the Board approved a new programme to buy back 10 000 000 'A' shares through the market or through the exercise of over-the-counter call options during the period to May 2012. The new programme represents 1.74 per cent of the capital and 0.96 per cent of the voting rights of the Company. This new programme is also to meet obligations under stock option plans for executives.

Details of the Group's stock option plan are set out in section 5 of this report and in note 35 to the Group's consolidated financial statements. The operating expense charged to the consolidated statement of comprehensive income in respect of the fair value of options granted to executives is set out under the heading 'Stock option plan' on page 51 of this report.

When 'A' shares or former 'A' units are bought back, a reserve for treasury shares, equal to the cost value of the shares or units purchased in the market, is established as an element of shareholders' equity in the Group's consolidated statement of financial position. The cost of acquiring over-the-counter call options is also charged to this reserve. As shares or units are sold as a consequence of the exercise of options by executives, the reserve is correspondingly reduced. During the year under review, the reserve for treasury shares increased by a net € 53 million as a consequence of the repurchase of 'A' shares, as described above, partly offset by the exercise of options by executives and the consequent delivery of 'A' shares from the Group to those executives. Further details are given in note 18 to the Group's consolidated financial statements.

Voting rights

Holders of Richemont shares may attend and vote at meetings of shareholders of the Company. They may attend in person or may appoint the Company or a third party to represent them at the meeting.

There is no limit on the number of shares that may be held by any given party nor any restriction on the voting rights attaching to those shares.

Richemont 'A' and 'B' shares have equal rights to share in the dividends and capital of the Company; 'B' shareholders are entitled to receive 10 per cent of the dividend per share paid to 'A' shareholders and 9.1 per cent of the Company's capital. However, despite the differing nominal values of the 'A' and 'B' shares, each 'B' share conveys the same voting rights as each 'A' share, in normal circumstances, at shareholder meetings. Richemont 'B' shares therefore control 50 per cent of the votes at shareholder meetings. The 'B' registered shares are entirely held by Compagnie Financière Rupert. In accordance with Swiss company law, certain resolutions, notably those relating to the objects of the Company, its capital structure, the transfer of its registered office or its dissolution, require the approval of two-thirds of the shares represented and an absolute majority of the nominal share capital.

Statutory quorums

The general meeting of shareholders is the Company's ultimate decision-making forum. Resolutions of the general meeting are generally passed by an absolute majority of the votes represented at the meeting. As detailed above, certain resolutions may require the approval of two-thirds of the shares represented at the meeting and an absolute majority of the nominal share capital.

The Annual General Meeting ('AGM') in respect of the financial year ended 31 March 2010 will be held on 8 September 2010 at the Four Seasons Hotel des Bergues, Geneva. The agenda for that meeting is set out on page 116 of this report. The notice period and agenda in respect of the meeting follow the requirements of Swiss company law. Holders of a minimum of one million 'A' shares in the Company with a nominal value of CHF 1 million may request that an item be placed on the agenda for the meeting. Such requests must be submitted, in writing, at least 20 days in advance of the deadline for publication of the formal notice convening the meeting.

South African Depository Receipts

Richemont Securities AG, previously a wholly-owned subsidiary of Compagnie Financière Richemont SA and now owned in equal part by the Company and Reinet Investments SCA ('Reinet'), acts as Depository for the issuance, transfer and cancellation of Richemont South African Depository Receipts ('DRs'), which are traded on the Johannesburg stock exchange operated by JSE Limited. DRs trade in the ratio of ten DRs to each Richemont 'A' share. The terms and conditions applicable to DRs are set out in the Deposit Agreement entered into between Richemont Securities AG, as Depository, and the Company, as Issuer. Richemont Securities AG also acts as Depository for Reinet depository receipts, which are also listed on the Johannesburg stock exchange.

In its capacity as Depository, Richemont Securities AG holds one 'A' share in safe custody for every ten DRs in issue. Richemont Securities AG's interest in the 'A' shares that it holds is therefore non-beneficial. At 31 March 2010, Richemont Securities AG held 143 521 960 'A' shares in safe custody in respect of the DRs in issue. This amount represents some 27 per cent of the 'A' shares.

Dividends received by Richemont Securities AG are payable in rand to South African residents. Dividends are converted upon receipt by Richemont Securities AG and remitted to the holders of DRs. Non-South African resident holders of DRs may receive the dividends in Swiss francs, subject to their residence status.

Holders of DRs issued by Richemont Securities AG are not entitled to attend shareholder meetings of Compagnie Financière Richemont SA or to vote in person. Rather, DR holders are canvassed as to their voting instructions by Richemont Securities AG, which then represents the holders as their proxy at shareholder meetings.

Transferability of shares

Richemont's 'A' shares are issued in bearer form. They are issued in the form of a permanent global certificate. Each shareholder retains a pro rata of interest in the relevant permanent global certificate, which remains in safekeeping with SIX SIS AG. Shareholders do not have the right to request the printing and delivery of individually certificated shares. Individual share certificates may, however, be printed and delivered, or otherwise permitted, if considered appropriate by the Company. There are no restrictions on transfers of shareholdings.

Transfers of the unlisted 'B' registered shares in the Company, which are held solely by Compagnie Financière Rupert, must be approved by the Board of the Company.

3. BOARD OF DIRECTORS

Responsibilities and membership

The Board is responsible for the overall strategic direction of the Group and the appointment of senior management. In addition, it is responsible for establishing financial controls and appropriate procedures for the management of risk within the Group as well as the overall supervision of the business. The Board is responsible for the preparation of the financial statements of the Company and of the Group and for the organisation of shareholder meetings.

The Board is composed principally of non-executive directors with diverse professional and business backgrounds. Seven nationalities are represented on the Board, which was composed of 15 members at 31 March 2010. Board members are elected at each year's AGM for a term of one year. All directors are eligible to stand for re-election each year, details of nominations being given in the notice of the AGM published on page 116 and in the press. The proposal to the AGM is that the Board be elected on an individual basis. There is no restriction on the number of times a director may seek re-election and no formal age limit for directors.

In terms of its regular business, the Board generally meets for half a day to a full day, five times per annum. Further meetings on specific topics are held on an ad hoc basis. As part of its schedule of meetings, the Board meets with executive management of the Maisons for two days each year to review the strategic direction of the Group's businesses. During the period from 1 April 2009 to 31 March 2010, the Board of Directors held five meetings. These included a two-day meeting with senior management of certain Maisons at which brand strategy, marketing plans and new products were presented. The Executive Chairman, Group Chief Executive Officer and Group Finance Director established the agendas for the meetings of the Board, financial reports and supporting information in respect of agenda items being circulated to members of the Board in advance of each meeting. Directors may ask that an item be placed on the agenda for any meeting.

Three members of the Management Committee – the Chief Counsel, the Director of Corporate Finance and the Director of Corporate Affairs – attend meetings of the Board. Other members of senior management may be invited to attend periodically to address specific subjects. The Board may invite external advisors to attend meetings.

During the year under review, the Company announced changes to the responsibilities of certain of its directors. Mr Nobert Platt, Group Chief Executive Officer, took the decision to retire at the end of the year, but will remain as a non-executive director of the Company and will act as an advisor to the Group.

In view of Mr Platt's retirement, Mr Johann Rupert has assumed the roles of Executive Chairman and Chief Executive Officer with effect from 1 April 2010. Given the combination of Mr Rupert's roles, the Board nominated Lord Renwick of Clifton, a non-executive director, to assume the role of Lead Independent Director with effect from November 2009.

To support Mr Johann Rupert in his combined role, the Board appointed Mr Richard Lepou, Group Finance Director, as Deputy Chief Executive Officer with effect from 1 April 2010. Mr Gary Saage was appointed as Chief Financial Officer, also effective from

that date, and will be proposed for election to the Board at the September 2010 AGM. At that AGM, Mr Josua Malherbe, Dr Frederick Mostert, Mr Guillaume Pictet and Maître Dominique Rochat will also be proposed for election.

Mr Gary Saage qualified as a Certified Public Accountant in the United States. Following an early career in public accounting with Coopers & Lybrand, he joined Cartier's US business in 1988. Since then, he has served as Chief Operating Officer of Richemont North America and of Alfred Dunhill in London. Since 2006, he has served as Group Deputy Finance Director. He continues to serve as Chairman of Richemont North America and has been appointed to become a director of Net-a-Porter Limited.

Mr Josua Malherbe qualified as a Chartered Accountant in South Africa and worked with the predecessor firm of PricewaterhouseCoopers before joining Rand Merchant Bank in 1985. In 1990 he joined Rembrandt Group Limited and was involved with Richemont at that time. Since its formation in 2000, he served first as Chief Executive Officer and then as Deputy Chairman of VenFin Limited. He continues to serve as a director of Dimension Data Holdings plc, Sabido Investments (Pty) Limited, Remgro Limited, Reinet Investments Manager S.A. and Reinet Fund Manager S.A.

The biographical details of Dr Frederick Mostert, a member of the Group's Management Committee, are presented on page 47 of this report.

Mr Guillaume Pictet's career in private banking has included membership of Darier Hentsch & Cie's senior management. He has also served as an international economist in Switzerland's Federal Department of Economic Affairs. Since 1996, he has been Founding Partner and Vice-Chairman of de Pury Pictet Turrettini & Cie SA, a Geneva-based asset management company. He also serves as Chairman of EIC Partner AG; as a director of Zurmont Madison Management AG; and as President of the Fondation pour Genève.

Maître Dominique Rochat is a member of the Bar of Geneva and has been a practising lawyer and partner at the Geneva office of Lenz & Staehelin for some 30 years. Maître Rochat specialises in banking and corporate law and is also involved in mergers, acquisitions and financing transactions.

Other changes during the year under review included the nomination of Ms Martha Wikstrom, formerly a non-executive director, as Chief Executive of the Group's Fashion & Accessories businesses from June 2009. Dr Franco Cologni and Mr Alain Dominique Perrin have indicated that they will give up their remaining direct executive roles within the organisation effective as of 31 March 2010. They will continue to serve as non-executive directors of the Company.

Board Committees

In terms of the Group's framework of corporate governance, the Board has established an Audit Committee, a Compensation Committee and a Nominations Committee. The composition of these Committees is indicated in the biographical notes on Board members set out below. In addition to these Committees of the Board, the Group's senior management are members of the Group Management Committee.

Each Committee of the Board has its own written Charter outlining its duties and responsibilities and a chairperson elected by the Board. The Chairman of each Committee presents a summary of the proceedings of each Committee meeting to the Board. All Board Committees are entitled to invite members of senior management and external specialists to attend meetings for specific matters on an ad hoc basis.

Audit Committee

The four members of the Audit Committee are non-executive directors. The Chief Financial Officer attends all meetings, as do the Head of Internal Audit and representatives of PricewaterhouseCoopers SA, the Group's external auditors.

Meetings of the Committee are held at least three times per annum and have a typical duration of half a day. During the year ended 31 March 2010, three meetings took place. The Committee meets in camera with the external auditors during the course of each meeting.

The Audit Committee's principal tasks are to:

- satisfy itself that the consolidated financial statements follow approved accounting principles and give a true and fair view of the Group's financial position and results;
- recommend to the Board the appointment, reappointment or dismissal of the external auditors and keep under review their independence and objectivity as well as their level of compensation;
- examine and review, with both external and internal auditors, the adequacy and effectiveness of the Group's management information systems as well as accounting, financial and operational controls;
- oversee the effectiveness of the Group's Internal Audit function and liaise with the Head of Internal Audit on all matters of significance arising from the department's work;
- oversee the adequacy and effectiveness of risk management practices in the Group and advise the Board on its responsibility to perform regular risk assessments;
- examine and review the adequacy, effectiveness and integrity of the processes to assure the Group's compliance with all applicable laws and regulations; and
- ensure compliance with the Group's internal Corporate Governance Regulations, including the Code of Conduct for Dealings in Securities, and its Commitment Approval Procedures.

The Chairman of the Audit Committee reports the findings of each Committee meeting to the Board and makes recommendations to management on behalf of the Board.

The Company has a risk management process which gives consideration to both strategic and operational risks. All identified risks are quantified according to their probability of occurrence and potential impact and subsequently prioritised by management. A consolidated risk report, which includes action plans prepared by the Group executive directly responsible for addressing the risk, is reviewed annually by the Audit Committee and the Board of Directors.

Section 3 of the corporate governance report continues on page 45

Board of directors of Compagnie Financière Richemont SA



Johann Rupert
Executive Chairman and Chief Executive Officer
South African, age 60

Mr Rupert was appointed to the Board in 1988 and has served as Executive Chairman of Compagnie Financière Richemont SA since 2002. He is Chairman of the Nominations Committee, the Chairman's Committee and the Group's Management Committee. With effect from 1 April 2010, Mr Rupert serves as Group Chief Executive Officer.

Mr Rupert studied economics and company law at the University of Stellenbosch, South Africa, and has had an extensive career in international business, banking and finance. After working for the Chase Manhattan Bank and Lazard Frères in New York he founded Rand Merchant Bank in 1979. In 1985, he joined the Rembrandt Group. Three years later he founded Richemont and became Group Chief Executive. Appointed as Executive Chairman in September 2002, he also served as Group Chief Executive Officer during the period from October 2003 to September 2004. He is Chairman of Reinet Investments Manager SA, the management company of Reinet Investments S.C.A., Non-Executive Chairman of Remgro Limited and the Managing Partner of Compagnie Financière Rupert.

Mr Rupert holds honorary doctorates in Economics and in Commerce and was appointed Chancellor of Stellenbosch University in 2009.



Jean-Paul Aeschimann
Deputy Chairman
Swiss, age 76

Since 1988, Maître Aeschimann has served as Non-Executive Deputy Chairman. He is Chairman of the Audit Committee and a member of the Compensation Committee and the Nominations Committee.

Maître Aeschimann graduated in law from the University of Neuchâtel, studied at Harvard University and has been admitted to the Bar of Geneva. He is a practising lawyer and is Counsel to Lenz & Staehelin, based in Geneva. He serves as Vice-Chairman and Chairman of the Audit Committee of the Board of Barclays Bank (Suisse) SA as well as director of a number of Swiss subsidiaries of international groups.

Lenz & Staehelin acts as legal counsel to Richemont and to Compagnie Financière Rupert and Maître Aeschimann is the Special Auditor of Compagnie Financière Rupert.



Norbert Platt
Group Chief Executive Officer to 31 March 2010
German, age 63

Mr Platt was appointed to the Board in September 2005.

He graduated with a BSc in precision mechanical engineering from the University of Frankfurt/Main and has studied business and management topics at Harvard Business School and at INSEAD. He worked for a number of years in the field of precision instruments, working with Rollei in Germany and internationally, becoming CEO of Rollei Singapore and Managing Director of Rollei Fototechnic in Germany.

He joined Montblanc in 1987 and was President and CEO of Montblanc International. Mr Platt served on the Group's Management Committee from 2000 and served as Group Chief Executive Officer from October 2004 until March 2010. He was a member of the Group's Management Committee and the management board of Montblanc International Holding. He remains Non-Executive President of Montblanc International and a Non-Executive Director of Compagnie Financière Richemont SA.



Richard Lepeu
Group Finance Director to 31 March 2010
French, age 58

Mr Lepeu was appointed to the Board in September 2004 and is a member of the Chairman's Committee and the Group's Management Committee. With effect from 1 April 2010, he serves as Deputy Chief Executive Officer.

He is a graduate of the Institut d'Etudes Politiques de Paris and the Université de Sciences Economiques de Paris X. He worked in international corporate finance before joining Cartier in 1979 as assistant to the President. Within Cartier, he was appointed Company Secretary in 1981 and became Director of Finance and Administration in 1985. He was nominated as Chief Executive Officer of Cartier in 1995 and held the post until March 2001. He served as Chief Operating Officer of Richemont from April 2001 until April 2004 and was nominated as Group Finance Director in May 2004, a post he held until March 2010.



Franco Cologni
Senior Executive Director
Italian, age 75

Dr Cologni was appointed to the Board in 2002 and serves as an advisor to the Executive Chairman and provides strategic input to the Maisons.

He is a graduate of the University of Milan, where he later became a professor. As a writer, he has published several books and articles, in particular on luxury goods, jewellery and watches. He joined Cartier in 1969 and served as Managing Director and Chairman of Cartier International. Dr Cologni has also been closely involved with the Group's watchmakers and since 2005 has served as Chairman of the Fondation de la Haute Horlogerie in Geneva.

Dr Cologni is founder of the Richemont Creative Academy, which offers Masters degrees in design and creative management. He is also founder and Chairman of the non-profit institution Fondazione Cologni dei Mestieri d'Arte, established in Milan since 1995. Under the patronage of this Foundation, a University Chair dedicated to the Métiers d'Arts has been established within Milan University's Economics Faculty.



Lord Douro
British, age 64

Lord Douro has served as a Non-Executive Director since 2000. He is a member of the Nominations Committee.

Lord Douro holds an MA degree from Oxford University. He has broad experience in banking and finance, serving as Chairman of Sun Life and Provincial Holdings from 1995 to 2000 and of the Framlington Group from 1994 to 2005. He is a director of Sanofi-Aventis and of Pernod Ricard and Abengoa Bio Energia. He is a senior advisor to the Crédit Agricole Group and Chairman of the Council of King's College, London. He was a member of the European Parliament from 1979 to 1989.

From 1990 to 1993 he was Chairman of Dunhill Holdings and from 1993 to 1998 Deputy Chairman of Vendôme Luxury Group, both former subsidiaries of the Group. Since 1998 he has served as Non-Executive Chairman of Richemont Holdings (UK) Limited, the holding company for the Group's UK interests and provides consultancy services to the Group.



Yves-André Istel
American, age 74

Mr Istel was appointed to the Board in 1990. A Non-Executive Director, he is a member of the Audit Committee, the Nominations Committee and the Compensation Committee.

Mr Istel graduated from Princeton University and has had an extensive career in investment banking. He was Managing Director of Lehman Brothers from 1977 to 1983, Co-Chairman of First Boston International from 1984 to 1988, Chairman of Wasserstein Perella & Co International from 1988 to 1992 and Vice Chairman of Rothschild Inc from 1993 to 2002. He is currently Senior Advisor to Rothschild Inc.

Mr Istel is a Non-Executive Director of Imperial Sugar Company, Analog Devices, Inc., Tiedemann Wealth Board of Management, and a member of Healthpoint Partners LLC's Advisory Board. He served as Chairman of the Board of Overseers of Reinet Investments S.C.A. until September 2009 and continues to act as an advisor to Reinet Investment Advisors Limited.

Mr Istel is Chairman of the Advisory Board of the Remarque Institute and the Center for French Civilisation and Culture, New York University, as well as the European Institute and the Fondation Saint-John Perse. He is a member of the Economic Club of New York and the Bretton Woods Committee.



Alain Dominique Perrin
French, age 67

Mr Perrin has served as an Executive Director since 2003.

He is a graduate of the Ecole des Cadres et des Affaires Economiques, Paris (E.D.C.). He joined Cartier in 1969, assuming a series of roles and serving as President of Cartier International SA between 1981 and 1998. Mr Perrin was Chief Executive of Richemont SA, Luxembourg from 2001 to 2003, overseeing the Group's luxury goods businesses from 1999 to 2003. He was responsible for the creation of the Fondation Cartier pour l'Art Contemporain in Paris and the launch of the annual Salon International de la Haute Horlogerie.

Mr Perrin serves on the management committees of a number of non-profit organisations. He is President of the Ecole de Dirigeants et Créateurs d'entreprise (E.D.C.) and President of the European Foundation for Management Development (E.F.M.D.), which delivers EQUIS and EPAS accreditations to business schools and universities around the world. Mr Perrin is also President of the Fondation Cartier pour l'Art Contemporain and the Jeu de Paume Museum, Paris.



Ruggero Magnoni
Italian, age 59

Mr Magnoni was elected as Non-Executive Director in 2006 and is a member of the Audit and Nominations Committee. In 2006 he became a partner of Compagnie Financière Rupert.

Mr Magnoni graduated from Bocconi University, Italy, and holds an MBA from Columbia University, USA.

Mr Magnoni joined Lehman Brothers in 1977 and held a number of senior roles across that firm's international activities. From 1987 to 1994, he was responsible for Lehman Brothers' activities in Italy. In 2000, Mr Magnoni became Head of the European Private Equity division and Vice Chairman of Lehman Brothers Inc. and in 2002, Chairman of Lehman Brothers International Italy. Since October 2008, Mr Magnoni has been Chairman of Nomura International plc's Investment Banking division for Europe, Middle East and Africa. He was a member of the Board of Overseers of Reinet Investments S.C.A. until September 2009 and continues to act as an advisor to Reinet Investment Advisors Limited.

Mr Magnoni is Chairman of the Board of Spumador SpA and a member of the boards of Omniainvest SpA and 422 BV. He is a founding investor in Sopaf SpA and Hanseatic Americas Limited and is involved with various philanthropic activities, including Fondazione Laureus Italia. He is a member of the Campaign Board of Bocconi University in Milan.



Alan Quasha
American, age 60

Mr Quasha was elected as a Non-Executive Director in 2000 and is a member of the Nominations Committee.

He is a graduate of Harvard College, Harvard Business School, Harvard Law School and New York University Law School. After practising law, he moved into commerce and since 1987 has been President of Quadrant Management Inc.

Mr Quasha served as a director of Richemont SA, Luxembourg from 1988 up until his appointment to the Board of Compagnie Financière Richemont SA and was Chief Executive Officer of North American Resources Limited, between 1988 and 1998. He was a member of the Board of Overseers of Reinet Investments S.C.A. until September 2009 and continues to act as an advisor to Reinet Investment Advisors Limited.

He is a Managing Partner of Vanterra Capital, Chairman of Carret Asset Management Group LLC and HKN Inc., and was a director of American Express Funds from 2002 to 2005. He is a former Governor of the American Stock Exchange, a former Chairman of the Visiting Committee of Harvard University's Weatherhead Centre for International Affairs and is Chairman of the American Brain Trauma Foundation.



Simon Murray
British, age 70

Mr Murray became a Non-Executive Director in 2003 and is a member of the Nominations Committee.

He was educated at Bedford School in England and attended SEP Stanford Business School in the United States. He began his business career at Jardine Matheson, with ultimate responsibility for the company's engineering and trading operations, as well as holding directorships in various affiliated companies. In 1980, he formed his own project advisory company involved primarily in financing capital-intensive engineering projects in the Asia-Pacific region. In 1984, he became the Group Managing Director of the Hong Kong-based conglomerate Hutchison Whampoa, leading that company's entry into the mobile telecommunication business and developing its energy business. He joined Deutsche Bank Group as Executive Chairman Asia-Pacific in 1993, supervising the Group's operations in the region.

In 1998, he founded Simon Murray & Associates and is a director of Vodafone Group, UK and Cheung Kong (Holdings) Limited, Hong Kong.



Lord Renwick of Clifton
British, age 72

Lord Renwick was appointed to the Board in 1995. He is a Non-Executive Director, Chairman of the Compensation Committee and a member of the Audit and Nominations Committees. With effect from November 2009, he has assumed the role of Independent Lead Director.

Lord Renwick is a graduate of Cambridge University and served in the British diplomatic service, rising to become Ambassador to South Africa from 1987 to 1991 and Ambassador to the United States from 1991 to 1995.

Lord Renwick is currently Vice Chairman, Investment Banking of JPMorgan Europe and of JPMorgan Cazenove. He is also Chairman of Fluor Limited and Deputy Chairman of Fleming Family & Partners.

Board of directors of Compagnie Financière Richemont SA *continued*



Jan Rupert
Manufacturing Director
South African, age 54

Mr Jan Rupert was appointed to the Board in 2006 and became a partner of Compagnie Financière Rupert in the same year.

Since joining the Group in 1999, he has held the position of Manufacturing Director, with overall responsibility for the Group's manufacturing strategy. He was appointed to the Board of Richemont SA, Luxembourg in 2000 and continues to be a member of the Group's Management Committee.

Mr Rupert is a graduate in mechanical engineering from Stellenbosch University, South Africa, and has had an extensive career in production management in the tobacco and watchmaking industries. Prior to joining Richemont, he was Manufacturing Director of Rothmans International.



Jürgen Schrempp
German, age 65

Mr Schrempp was elected as a Non-Executive Director in 2003 and is a member of the Nominations Committee. In 2006 he became a partner of Compagnie Financière Rupert.

He holds a Professorship of the Federal State of Baden-Württemberg in Germany, an honorary Doctorate of the University of Graz, Austria and an honorary Doctorate in Commerce of the University of Stellenbosch, South Africa.

Mr Schrempp is former Chairman of the Board of Management of DaimlerChrysler. He served as President of Mercedes-Benz of South Africa, President of EUCLID, USA, as well as Chairman of the Board of Management of Daimler-Benz Aerospace. Mr Schrempp was a leading contributor in the creation of European Aeronautic Defence and Space Company ('EADS'). He became Chairman of Daimler-Benz in 1995. He continues to hold the position of Non-Executive Chairman of Mercedes-Benz of South Africa.

He is the Executive Chairman of Katileho Capital GmbH, Independent Lead Director of the South African Coal, Oil and Gas Corporation ('SASOL') and a Non-Executive Director of Jonah Capital, an investment holding company in South Africa. He also serves as Chairman of Iron Mineral Beneficiation Services ('IMBS'), South Africa, and on the Advisory Council of GEMS, a private equity firm. He is also Chairman of the Southern Africa Initiative of German Business ('SAFRI'). He was a member of the Board of Overseers of Reinet Investments S.C.A. until September 2009 and continues to act as an advisor to Reinet Investment Advisors Limited.

Mr Schrempp is Chairman Emeritus of the Global Business Coalition on HIV/AIDS and Honorary Consul-General of the Republic of South Africa.

He has received numerous awards and has also been recognised for his civic leadership and charitable contributions. Amongst other distinctions, he is a Commander of the French Legion of Honour and holds South Africa's highest civilian award, the Order of Good Hope, conferred upon him by President Nelson Mandela.



Martha Wikstrom
American, age 53

Ms Wikstrom was appointed to the Board as a Non-Executive Director in 2005 and was a member of the Nominations Committee. From 1 June 2009, she has served as Chief Executive Officer of the Group's Fashion & Accessories businesses and continues to serve as an Executive Director and a member of the Group's Management Committee.

Ms Wikstrom is a graduate of the University of Utah and has an extensive background in retailing and the luxury goods industry. From 1981 to 1999, Ms Wikstrom worked with Nordstrom, one of America's leading specialty retailers, rising from sales person to President of Nordstrom's Full Line Store Group. Ms Wikstrom was formerly Managing Director of Harrods Limited and a Director of Harrods Holdings Limited and Harrods Estates. She also held positions as interim CEO and Board Director of Kurt Geiger Limited. She is a founding partner of Atelier Management, LLC, an investment company specialising in the acquisition and development of luxury brands in which Richemont is the principal investor.

Ms Wikstrom sits as Chairman of the Board of Harrys of London Limited and is a Director of Space NK Limited.

Continued from page 41

Compensation Committee

The Compensation Committee is comprised of three non-executive directors. To assist it in its deliberations it may draw on support from the Group's internal specialists and external advisors.

Meetings of the Committee are held as necessary but at least twice per annum and typically last one to two hours. During the year under review, the Committee met on three occasions.

The purpose of the Committee is to advise the Board in all aspects of compensation policy insofar as it relates to members of the Board, the Group Management Committee and senior executives and to establish a framework for the compensation of executive management. The Committee is responsible for setting the compensation of the non-executive directors and the Executive Chairman, for approving the compensation of the members of the Board and for reviewing the compensation of all other members of senior management.

The Committee oversees the administration of the Group's long-term, share-based compensation plan for executive members of the Board and, inter alia, approves the awards granted to executive directors, taking into account the recommendations of the Executive Chairman; approves the awards made to other executives in aggregate, recognising that the Chairman's Committee has the authority to make awards to executives other than those serving on the Board. In addition, the Committee oversees any other material long-term compensation plans for executives of the Group and approves awards under such plans as appropriate.

Nominations Committee

The Nominations Committee consists of the non-executive directors meeting under the chairmanship of the Executive Chairman. Meetings of the Committee are held on an ad hoc basis, as required. During the year ended 31 March 2010, one meeting took place.

The principal functions of the Committee are to advise the Board in areas such as the composition and size of the Board and the criteria to be applied in the selection of new members of the Board and management.

In addition, the Committee is responsible for the nomination of directors to serve on Committees of the Board.

Management Committees

In addition to the Committees of the Board, there are a number of management committees. Key amongst these are the Chairman's Committee and the Group's Management Committee. These bodies respectively perform complementary functions in terms of strategic and operational performance recommendations.

Management is responsible for implementing the strategic policies determined by the Board. Members of management are empowered to conduct the day-to-day strategic and operational administration of the Group including, inter alia, financial management.

Management is responsible for the management of the Group's underlying businesses and investments, subject at all times to an obligation to provide adequate information on the development of those businesses to the Board. Management operates within the guidelines as set out in the Group's Commitment Approval

Procedures and such other policies and procedures as may from time to time be laid down by the Board. In addition, management provides the Board with such support as it may require to consider and evaluate strategic alternatives.

The Chairman's Committee

During the year under review, the Chairman's Committee comprised the Executive Chairman, Johann Rupert, the Group Chief Executive Officer, Norbert Platt, the Group Finance Director, Richard Lepeu, and the Manufacturing Director, Jan Rupert. Other executives were invited to participate on an ad hoc basis at the discretion of the Executive Chairman. The Committee meets on an ad hoc basis to review matters associated with the implementation of the Group's strategic policies. During the year under review, the Committee met five times.

Other committees have been established to determine the Group's policy in specific business areas, including finance, taxation, health and safety matters and corporate social responsibility.

4. SENIOR MANAGEMENT

The former Board of Richemont SA, Luxembourg, a directly held wholly-owned subsidiary of the Company until 20 October 2008, functions as the Group's Management Committee.

The Management Committee did not meet formally as a committee during the year, but its 13 members participated in various other committees, as well as interacting with one another and with the Maisons and regional platforms as necessary. Five of the 13 members also served on the Board during the year under review. Appointments to the Management Committee are made by the Board upon the recommendation of the Nominations Committee.

The executive management is charged by the Board with implementing the strategic policies determined by the Board. It is empowered to conduct the day-to-day strategic and operational management including, inter alia, the financial management of the Group. It is responsible for the management of the Group's underlying businesses and investments, subject at all times to an obligation to provide adequate information on the development of those businesses to the Board.

The Board employs various reporting means and control mechanisms in order to monitor the way in which senior management exercises the authority delegated to it.

- Prior to each Board meeting, members of the Board receive a financial report, summarising recent Group, divisional and Maison financial performance as well as operational developments.
- The Group Chief Executive Officer and Group Finance Director report to the Board at each meeting. Supplementary reports are provided, as required, by the Chief Counsel, the Director of Corporate Affairs, the Director of Corporate Finance and the Company Secretary.
- The Group's employee performance review process requires that members of senior management are given clearly defined targets at the beginning of each financial year. The executive directors of the Board monitor performance against these targets on an ongoing basis and report progress to the Board.

Section 4 of the corporate governance report continues on page 48

Group Management Committee



Johann Rupert
Executive Chairman and Chief Executive Officer
(For biographical details see page 42)

Norbert Platt
Group Chief Executive Officer to 31 March 2010
(For biographical details see page 42)

Richard Lepeu
Group Finance Director to 31 March 2010
Deputy Chief Executive Officer
(For biographical details see page 42)

Jan Rupert
Manufacturing Director
(For biographical details see page 44)

Martha Wikstrom
Chief Executive Officer, Richemont
Fashion & Accessories
(For biographical details see page 44)



Pilar Boxford
Group Public Relations Director
British, age 58

Appointed to the Group's Management Committee 2004
Ms Boxford graduated in Economics and Finance from the Institut d'Etudes Politiques de Paris. She joined Cartier Paris in 1979 as Product Manager – Perfumes and subsequently became responsible for Cartier's worldwide public relations strategy. In 1984, she transferred to Cartier London as Communications Director and became a member of the management board of Cartier Limited. She was appointed Group Public Relations Director in February 2004. Her primary role is to support the Maisons in the development of effective public relations strategies with a view to strengthening their presence on the world stage.



Bernard Fornas
Chief Executive of Cartier
French, age 63

Appointed to the Group's Management Committee 2002
Mr Fornas graduated from Lyon Business School and holds an MBA from the Kellogg School of Management, Northwestern University. Prior to joining Cartier, he worked with a number of companies in the consumer products sector, including Procter & Gamble from 1973 to 1976 and the International Gold Corporation, where he was Jewellery Division Manager until 1983. He then moved to Guerlain, in the field of perfumes and cosmetics, where he was International Marketing Director and Advisor to the President from 1984 to 1993.

Mr Fornas joined Cartier as International Marketing Director in 1994. He subsequently became Chief Executive of Baume & Mercier in 2001 and was appointed Chief Executive of Cartier in 2002.

He was appointed Vice President of the Comité Colbert in 2007.



Alan Grieve
Director of Corporate Affairs
British, age 58

Appointed to the Group's Management Committee 2004
Mr Grieve holds a degree in business administration from Heriot-Watt University, Edinburgh, and is a member of the Institute of Chartered Accountants of Scotland.

Prior to joining Richemont's predecessor companies in 1986, he worked with Price Waterhouse & Co (now PricewaterhouseCoopers) and Arthur Young (now Ernst & Young). He served as Company Secretary of Richemont from its formation in 1988 until 2004. He has been involved in many aspects of the Group's financial management, serving also on the boards of a number of the Group's subsidiary companies.

In addition to his role within Richemont, he is Chief Financial Officer of the management companies of both Reinet Investments S.C.A. and its subsidiary Reinet Fund S.C.A. F.I.S. (together 'Reinet'). He is also a director of Klinik Hirslanden AG, the Swiss subsidiary of the Medi-Clinic organisation. Mr Grieve is a founding member of the Laureus Sport for Good Global Foundation.



Albert Kaufmann
General Counsel
Swiss, age 62

Appointed to the Group's Management Committee 2000
Mr Kaufmann holds a degree from the Faculty of Law of the University of Geneva and has been admitted to the Geneva Bar. He joined Cartier in 1974 to lead its legal department and has since been responsible for the legal affairs of the Group's luxury goods companies. He was a member of the board of Cartier International and a director of Vendôme Luxury Group. He was appointed to his current position as Group General Counsel in 1999.

Mr Kaufmann is a member of the board of the Federation of the Swiss Watch Industry and of the Committee of 'economiesuisse', the Swiss Business Federation.



Thomas Lindemann
Group Human Resources Director
German, age 46

Appointed to the Group's Management Committee 2005
Mr Lindemann is a graduate in economics from Mannheim University. From 1989, he held a variety of human resources and commercial roles in the consumer products company, Wella Group, before joining Montblanc in 1998 as Human Resources Director. He assumed the role of Human Resources Director for Richemont Northern Europe in 2002 and was appointed Group Human Resources Director in 2005.



Eloy Michotte
Corporate Finance Director
Belgian, age 62

Appointed to the Group's Management Committee 1988
Mr Michotte graduated in engineering from the University of Louvain in Belgium and holds an MBA from the University of Chicago. He has had an extensive career in international business and finance, having worked with Ford, McKinsey & Co and Bankers Trust Company prior to joining Richemont at the time of its formation in 1988. As Corporate Finance Director, he has responsibility, in particular, for mergers and acquisitions and serves on the boards of a number of companies in which the Group has an interest, including Net-a-Porter Limited.

In addition to his role within Richemont, he is an Executive Director of the management companies of both Reinet Investments S.C.A. and its subsidiary Reinet Fund S.C.A. F.I.S. (together 'Reinet').



Frederick Mostert
Group Chief Counsel
South African, age 50

Appointed to the Group's Management Committee 1994
Dr Mostert holds a masters degree from Columbia University School of Law in New York City and a doctorate from the University of Johannesburg. He is a member of the New York Bar, a solicitor of England and Wales, and practised corporate law at Shearman and Sterling and international intellectual property law at Fross, Zelnick, Lehrman & Zissu in New York. He joined Richemont in 1990.

Dr Mostert is a past President of the International Trademark Association, serves on the Advisory Council of the McCarthy Center for Intellectual Property and Technology Law, is a guest professor at Peking University and a Fellow of the London School of Economics. He is a Director of Reinet Investments Manager S.A., Reinet Fund Manager S.A., Net-a-Porter Limited, 4D Innovative Capital International Limited, The Walpole Committee Limited, Laureus World Sports Awards Limited, and Freedom Under Law.

Continued from page 45

- There is regular interaction between members of the Board and the Management Committee, for example, through the presence of certain executive directors on a regular or ad hoc basis at Board meetings and other Board Committee meetings, as outlined above. Members of the Board are also exposed to the decision-making process at the level of each Maison through their involvement with the annual reviews of the Maisons' strategies.
- The Group's Internal Audit function provides an objective means of assessing how the Group's risks are being managed and controlled. This function's independent status is reinforced by the direct reporting line from the Head of Internal Audit to the Chairman of the Audit Committee. The function performs financial and operational audits in accordance with a programme approved annually by the Audit Committee. This risk-based programme is designed to ensure that all business units as well as Group-wide issues are given sufficient audit coverage within an appropriate timeframe. Findings from each audit, together with any related action plans, are reported in detail to senior management; summary reports are provided to the Audit Committee and discussed at Audit Committee meetings. Progress with implementation of corrective actions is monitored by senior management and the Audit Committee on a regular basis.

Management contracts

With the exception of the contract between Atelier Fund, LLC and Atelier Management, LLC described in note 34 to the Group's consolidated financial statements, there were no contracts between the Group and any third parties for the management of any subsidiary or associated company in the Group.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

Content and method of determining the compensation and share-ownership programmes

The Group's compensation policies are designed to ensure that Group companies attract and retain management of the highest calibre and motivate them to perform to the highest standards, recognising the international nature of their businesses. The Group sets high standards in the selection of executives who are critical to the long-term development of the business.

The Compensation Committee of the Board is responsible for setting the compensation of the non-executive directors and the Executive Chairman, for approving the compensation of the members of the Board and for reviewing the compensation of all other members of senior management. The Compensation Committee considers recommendations from the Chairman's Committee regarding remuneration awards but may amend or reject these recommendations. From time to time the Chairman's Committee may use external consultants for advice on remuneration matters. During the year, external advice on compensation-related matters was received from Towers Watson and PricewaterhouseCoopers on stock option-related matters.

Executives are rewarded in line with the level of their authority and responsibility within the organisation. In addition to a basic salary, they generally receive an annual short-term cash incentive related to their individual achievements and the performance of the Group as a whole. Both elements are reviewed annually in

accordance with the Group's salary review process. In determining the level of any increase to basic salary, consideration is given to market conditions and the Group's performance; the level of pay award to the rest of the business; the role and responsibilities of the individual; and market benchmarking information provided by external consultants.

The level of short-term cash incentive is dependent on performance against a range of demanding individual key performance indicators and collective strategic objectives, usually established at the beginning of the year. The indicators and objectives relate to the potential of the area of the business for which the individual is responsible. These objectives are determined by the Executive Chairman and the Chief Executive Officer and are revised only where exceptional circumstances beyond the control of the individual make the original target unachievable. The short-term cash incentive for executives is typically around 40 per cent of basic salary, with further incentives for exceptional performance. The Compensation Committee does not participate in the setting of individual targets. This role is performed by the Executive Chairman and the Chief Executive Officer. The Compensation Committee is satisfied that these targets are appropriately challenging for the level of award.

Executives may also be eligible to participate in the Group's stock option plan, details of which are set out on page 51 of this report. Option awards are entirely discretionary and are linked to each executive's salary level and performance. Gains achievable from previous awards are also considered. The Group does not operate any schemes to issue shares to executives as part of their compensation package. The 2008 grant of options included vesting conditions linked to the performance of the Company's share price relative to a comparative group of luxury goods businesses. No options were awarded to any member of the Board or the Group Management Committee in the year under review.

The Group also operates a long-term incentive plan. The purpose of this plan is to motivate and reward Maison executives by linking a major part of their compensation package to the value added to the area of the business for which they are responsible, typically over a three-year period. Individuals receiving awards under the long-term incentive plan remain eligible to participate in the Group's stock option plan. In such cases, awards made under the option plan are generally at a significantly reduced level.

The Compensation Committee considers these components in total to ensure there is the correct balance between reward for short-term success and long-term growth and reflects both the individual's performance and contribution to the overall Group's results.

Directors are reimbursed for travel and other necessary business expenses incurred in the performance of their duties.

Non-executive directors receive an annual fee in respect of their membership of the Board. The level of this fee is kept under review by reference to comparable external figures. Non-executive directors are not eligible for performance-related payments and do not receive awards under the Group's stock option plan. There is no scheme to issue shares to non-executive directors.

Non-executive directors who are also members of the Compensation Committee or the Audit Committee are entitled to receive an attendance fee of € 3 300 (CHF 5 000) and € 6 700 (CHF 10 000), respectively, for each Committee meeting.

Directors' compensation

The total level of compensation paid to members of the Board and the Group Management Committee, including pension contributions, benefits in kind and all other aspects of compensation, amounted to € 40 381 845 during the year under review. In determining the value of each component of compensation, the Group has followed the valuation and measurement principles of International Financial Reporting Standards ('IFRS'). The amounts are in agreement with other IFRS information provided elsewhere in this annual report.

		Salary, short-term incentives and other short-term employee benefits €	Long-term benefits €	Post- employment benefits €	Stock option cost* €	Total €
Board of Directors						
Johann Rupert	Executive Chairman	1 562 672	–	1 649 010	1 586 162	4 797 844
Jean-Paul Aeschimann	Non-Executive Deputy Chairman	106 525	–	–	–	106 525
Norbert Platt	Group Chief Executive Officer	4 289 120	–	75 260	4 871 115	9 235 495
Richard Lepeu	Group Finance Director	2 798 502	–	70 487	1 396 833	4 265 822
Franco Cologni	Senior Executive Director	520 346	–	8 955	–	529 301
Lord Douro	Non-Executive Director	182 480	–	–	–	182 480
Yves-André Istel	Non-Executive Director	109 854	–	–	–	109 854
Simon Murray	Non-Executive Director	79 893	–	–	–	79 893
Alain Dominique Perrin	Executive Director	1 519 239	–	–	–	1 519 239
Alan Quasha	Non-Executive Director	79 893	–	–	–	79 893
Lord Renwick	Lead Independent Director	106 525	–	–	–	106 525
Jan Rupert	Manufacturing Director	1 074 024	–	54 497	1 185 878	2 314 399
Jürgen Schrempp	Non-Executive Director	79 893	–	–	–	79 893
Martha Wikstrom	Chief Executive Officer, Richemont Fashion & Accessories**	1 151 336	–	194 812	–	1 346 148
Total		13 660 302	–	2 053 021	9 039 988	24 753 311
Group Management Committee		9 365 695	457 500	855 397	4 949 942	15 628 534
Total key management compensation		23 025 997	457 500	2 908 418	13 989 930	40 381 845

* The cost for stock options is determined in accordance with IFRS 2, *Share-based Payment*. Details of the valuation model and significant inputs to this model are to be found in note 35 to the consolidated financial statements.

** Ms Wikstrom served as a non-executive director to May 2009. During this period she received fees of € 13 316.

During the year under review, the Group Management Committee included the Executive Chairman, the Group Chief Executive Officer, the Group Finance Director, the Manufacturing Director and the Chief Executive Officer of Richemont's Fashion & Accessories businesses. The compensation of these five directors is disclosed above as members of the Board and is therefore excluded from the total compensation of the Group Management Committee. Details of other members of the Group Management Committee are included in section 4 of the corporate governance report on pages 46 and 47.

The comparative analysis of the table above is presented in note 34f of the Group's consolidated financial statements.

Details of options held by executive directors and members of the Group Management Committee under the Group's stock option plan at 31 March 2010 are as follows:

	Number of options			Weighted average grant price CHF	Earliest vesting period	Latest expiry date
	1 April 2009	Exercised in year	31 March 2010			
Board of Directors						
Johann Rupert	8 275 841	(2 649 000)	5 626 841	12.41	Apr 2010-Jul 2011	June 2013
Norbert Platt	2 321 876	(480 058)	1 841 818	24.63	Apr 2010	June 2017
Richard Lepeu	1 794 612	(195 299)	1 599 313	20.74	Apr 2010-Jul 2014	June 2017
Jan Rupert	1 236 343	–	1 236 343	20.71	Apr 2010-Jul 2014	June 2017
Group Management Committee						
Giampiero Bodino	586 145	–	586 145	22.22	Apr 2010-Jul 2014	June 2017
Pilar Boxford	158 416	(53 443)	104 973	23.45	Apr 2010-Jul 2014	June 2017
Bernard Fornas	1 027 766	(332 044)	695 722	23.04	Apr 2010-Jul 2014	June 2017
Alan Grieve	426 571	–	426 571	20.17	Apr 2010-Jul 2014	June 2017
Albert Kaufmann	1 224 750	(48 330)	1 176 420	21.45	Apr 2010-Jul 2014	June 2017
Thomas Lindemann	387 068	(41 611)	345 457	24.09	Jul 2010-Jul 2014	June 2017
Eloy Michotte	461 981	–	461 981	20.36	Apr 2010-Jul 2014	June 2017
Frederick Mostert	786 723	–	786 723	23.17	Apr 2010-Jul 2014	June 2017

Salary and other short-term benefit payments received by Mr Johann Rupert from Richemont and from its related parties, Remgro Limited, Reinnet Investments Manager SA and Reinnet Fund Manager SA, are donated to charity.

Maitre Jean-Paul Aeschmann, the Deputy Chairman, is counsel to the Swiss legal firm, Lenz & Staehelin. During the year under review, Lenz & Staehelin received fees totalling € 296 616 from Group companies for advice on legal and taxation matters.

During the year, the Group gave donations of € 411 934 to the Fondazione Cologni dei Mestieri d'Arte. The Foundation promotes, supports and organises cultural, scientific and training initiatives in favour of the Arts and Crafts and the Trades of Art. Dr Franco Cologni is the President of the Foundation.

In addition to his non-executive director's fee, Lord Douro received fees, pension contributions and other benefits totalling € 102 587 in connection with his role as director and non-executive chairman of Richemont Holdings (UK) Limited, the holding company for the Group's UK interests, and in respect of consultancy services provided to the Group.

Since his appointment to the Board in 2006, Mr Ruggero Magnoni has formally waived his entitlement to receive any fees or compensation in respect of his duties as a non-executive director.

On 28 February 2006, the Group committed to invest US\$ 65 million in a subsidiary company, Atelier Fund, LLC, a limited liability investment company specialising in high-potential brand/retail opportunities in the luxury sector. Ms Martha Wikstrom, an executive director of the Company from 1 June 2009 (a non-executive director to May 2009) held a one-third interest in Atelier Management, LLC, the managing company of this investment fund. With effect from 31 March 2010, Ms Wikstrom's interest was transferred to unrelated third parties. Ms Wikstrom has received no remuneration from the managing company, nor otherwise in respect of the fund, since becoming an executive director.

Until September 2009, Messrs Istel, Magnoni, Quasha and Schrempf were members of the Board of Overseers of Reinnet Investments SCA and its subsidiary Reinnet Fund SCA FIS. No compensation was paid to them by the Company or the Reinnet entities in respect of their involvement in the Board of Overseers. They continue to provide services to Reinnet Investment Advisors Limited.

During the year under review, certain members of senior management provided services to the management companies of Reinnet Investments SCA and Reinnet Fund SCA FIS. € 1.7 million of the total compensation costs disclosed above was in respect of these services and this has been reimbursed by the Reinnet entities involved. With effect from 1 April 2010, those members of senior management who provide services to Reinnet entities will do so through separate contracts.

In accordance with the terms of the modification to the Group's executive stock option plan in October 2008, executive directors and members of the Group's Management Committee received vested options over shares in BAT and Reinnet. At 31 March 2010, the Group recognised a liability of € 24 million in respect of its obligation to deliver shares in these two entities on exercise of the options which remained outstanding at that date.

Highest compensation paid to a member of the Group

Management Committee

The total level of compensation of the highest paid director of the Group Management Committee was € 9 235 495, which was paid to Mr Norbert Platt, Group Chief Executive Officer.

Compensation of advisory committees

The Board has established a number of advisory committees, comprising of executive and non-executive directors of the Board. The compensation of the individual members of these committees is included in the disclosures above.

Compensation for former members of governing bodies

During the year under review, a former member of senior management received a fee of € 128 052 from the Group for services provided to an entity in which the Group is a joint venture partner.

Allotment of shares

No shares were allotted to directors or members of senior management during the year under review.

Share ownership

As at 31 March 2010, members of the Board and parties closely linked to them owned a total of 213 000 'A' shares. Members of the Group Management Committee and parties closely linked to them held a total of 51 670 'A' shares at that date. As noted above, Mr Johann Rupert is the General Managing Partner of Compagnie Financière Rupert, which holds the 522 000 000 'B' registered shares in the Group. Parties associated with Mr Johann Rupert and Compagnie Financière Rupert held a further 2 811 664 'A' shares or 'A' share equivalents at 31 March 2010. The interest of individual directors in Richemont 'A' shares is as follows:

	At 31 March 2010
Board of Directors	
Franco Cologni	75 000
Lord Douro	18 000
Yves-André Istel	16 000
Alain Dominique Perrin	100 000
Lord Renwick	4 000
	213 000
Group Management Committee	
Alan Grieve	50 000
Albert Kaufmann	1 670
	51 670
	264 670

Following the decision of the AGM held on 9 September 2009 to pay dividends of CHF 0.30 per 'A' bearer share and CHF 0.03 per 'B' registered share, dividends of CHF 16 537 150 were paid to the owners of shares described in the paragraphs above.

Mr Jan Rupert, Group Manufacturing Director, is a director of a company which holds 2 375 005 'A' shares. He is also one of a group of family members who are beneficiaries of certain trusts which are, directly or indirectly, shareholders in that company and which hold 'A' shares and 'A' share equivalents in their own right. Mr Jan Rupert is a trustee of certain of these trusts but is not in a

position to control their investment decisions or to control the exercise of voting rights by those trusts. In addition, members of Mr Jan Rupert's family are also beneficiaries of certain companies that have acquired and currently hold 20 000 'A' shares.

Mr Jan Rupert has no beneficial interest in Compagnie Financière Rupert and shares referred to in the paragraph above do not form part of the interest held by Compagnie Financière Rupert and its associated parties. For the avoidance of doubt, Mr Johann Rupert, Group Executive Chairman and a cousin of Mr Jan Rupert, is not a director of the company referred to in the paragraph above and has no interest in its holding of 'A' shares. He is neither a trustee of the trusts referred to in the preceding paragraph nor a beneficiary of those trusts. Details of the holdings of Compagnie Financière Rupert and parties associated with Mr Johann Rupert are given at the beginning of this section of the corporate governance report.

Mr Alain Dominique Perrin, an executive director during the year under review, also has an indirect holding of 819 779 'A' shares.

Mr Alan Grieve, a member of the Group Management Committee, also serves as a director of certain private companies established when the Group was founded and linked to former investors in Compagnie Financière Rupert. These companies hold in total 9 855 099 'A' shares. Mr Grieve has no beneficial interest in those companies or in the 'A' shares that they hold. These companies have no current connection with Compagnie Financière Rupert and are not associated in any way with Mr Johann Rupert.

Stock option plan

The Group operates a long-term share-based compensation plan whereby executives are awarded options to acquire shares at predetermined market-linked prices. No awards under the stock option plan have been made to non-executive directors.

Richemont agrees with the principle that stock options form a significant part of compensation and that the issue of new shares to meet the obligations under stock option plans results in dilution. For this reason, Richemont has implemented a series of buy-back programmes since 1999 to acquire former 'A' units and 'A' shares to meet the obligations arising under its share-based compensation plans. By using its own capital to acquire these shares, Richemont has reflected the financing cost of the stock option plans in the statement of comprehensive income. In addition, since 2004, Richemont has purchased over-the-counter call options with a third party to purchase treasury shares at the same strike price as the share options granted to executives. These call options, together with the shares held, provide a comprehensive hedge of the Group's anticipated obligations arising under its stock option plan.

Awards under the Group's stock option plan will not result in the issue of new capital and, in consequence, there will be no dilution of current shareholders' interests.

In accordance with IFRS 2, *Share-based Payment*, the Group recognises in its financial statements an operating expense in respect of the fair value of options granted to executives. The aggregate charge in respect of each option grant is amortised over the vesting period of the award. Further details are given in note 35 to the Group's consolidated financial statements. For the year under review the IFRS 2 charge amounted to € 36 million (2009: € 31 million).

With effect from the 2005 award, the terms of the Group's long-term share-based compensation plan have been amended to permit executives not only to exercise but also to trade options once they have vested. The options granted as from 2008 onwards include a performance condition correlated to a comparative group of luxury goods businesses upon which vesting is conditional.

The de-twinning of Richemont units, which took place on 20 October 2008 and which is described in Section 1 of this report, impacted the value and the number of stock options previously awarded to executives. Richemont unit options, which had vested but were not yet exercised at the date of the de-twinning, were converted into options over shares in the Company, options over British American Tobacco plc shares and options over Reinet Investments SCA shares. The exchange ratio used, determined at market prices at the close of business on the date of de-twinning, was calculated to preserve the economic benefits of the Richemont option holders. Richemont unit options which had not vested at the date of the restructuring were converted in their entirety into options over shares in the Company. Further details regarding the valuation of the options are presented in note 35 to the Group's consolidated financial statements.

The exercise of options and transactions in Richemont shares and related securities by any director or member of the Group Management Committee is promptly notified to the SIX Swiss Exchange, which simultaneously publishes such notifications on its website.

Loans to members of governing bodies

As at 31 March 2010, there were no loans or other credits outstanding to any current or former executive or non-executive director. The Group's policy is not to extend loans to directors. There were also no non-business-related loans or credits granted to relatives of any executive or non-executive director.

6. SHAREHOLDER PARTICIPATION RIGHTS

Details of shareholder voting rights and the right to attend meetings of shareholders are given above in section 2 of the corporate governance report under the heading 'Capital Structure'.

7. CHANGE OF CONTROL AND DEFENCE MECHANISMS

In terms of the Swiss Stock Exchange and Securities Trading Act ('SESTA'), the Company has not elected to 'opt out' or 'opt up' in respect of the provisions relating to the obligations for an acquirer of a significant shareholding to make a compulsory offer to all shareholders. In accordance with the Act, any party that would directly or indirectly or acting in concert with third parties acquire more than 33⅓ per cent of the voting rights of the Company would therefore be obliged to make an offer to acquire all of the listed equity securities of the Company. The interest of Compagnie Financière Rupert in 100 per cent of the 'B' registered shares in the Company, which existed at the date SESTA came into force, does not trigger any obligation in this respect. As noted above, Compagnie Financière Rupert controls 50 per cent of the voting rights of the Company.

No specific provisions exist in the statutes or internal regulations of the Company which would seek to limit or block any takeover bid. No special contractual relationships exist between Group companies and directors or members of senior management which would protect management or act as a deterrent to a change of control of the Company.

The rules of the stock option plan for executives in the Group contain specific provisions in respect of a change of control of the Group. These provisions are typical in terms of such plans and would result in the immediate vesting of benefits due to participants in the event of a change of control taking place.

8. AUDITORS

The external auditors report to the Board through the Audit Committee, which also supervises the Group's relationship with the auditors.

PricewaterhouseCoopers SA were reappointed by the Company's shareholders at the 2009 AGM as the auditors of the Company's financial statements and the Group's consolidated financial statements. They were appointed for a period of one year and, being eligible, will stand for a further period of office of one year at this year's AGM. A questionnaire-based evaluation, in which the Finance Director of every subsidiary is consulted, forms the basis of an annual review of the external auditors' performance. The results of this exercise are reviewed by the Audit Committee.

PricewaterhouseCoopers were initially appointed as auditors of the Company and the Group (as Coopers & Lybrand) in 1993. Mr David Mason, the lead auditor, assumed that role in September 2005. The Company's policy is to rotate the lead auditor at least once every seven years.

Total fees and expenses paid or accrued as payable to PricewaterhouseCoopers for the audit of the financial statements of the Company, the Group, its subsidiaries and related services were € 5.9 million in respect of the financial year ended 31 March 2010. Total fees and expenses paid or accrued as payable in respect of the financial year to PricewaterhouseCoopers for non-audit services amounted to € 1.5 million, primarily relating to tax compliance services and advice. The scope of services provided by the external auditors is reviewed annually by the Audit Committee and the relative weight of non-audit work provided by the external auditors is also kept under close review.

Representatives of PricewaterhouseCoopers attended all meetings of the Audit Committee held during the financial year as well as the meeting of the Committee held on 25 May 2010 at which the financial statements were reviewed. For further information on the role of the Audit Committee, please refer to section 3 of the corporate governance report.

9. INFORMATION POLICY

The Group reports to shareholders in accordance with the requirements of Swiss law and the guidance provided by SIX Swiss Exchange. The annual report is the principal source of financial and business information for shareholders. The Group's preliminary announcement of the results for the financial year is issued in May each year. In addition to the annual report, each year Richemont publishes its half-yearly financial report in November as well as a trading statement in January covering the Group's performance during the third quarter of the financial year, being the important pre-Christmas trading period. Additionally, an announcement as to current trading performance is made each year at the AGM, which is normally held in September. Ad hoc news announcements are made in respect of matters which the Board considers to be of significance to shareholders, in accordance with the specific guidelines laid down by SIX Swiss Exchange.

The annual and half-yearly financial reports are distributed to all parties who have asked to be placed on the Group's mailing list and to registered holders of South African Depository Receipts. Investors may request electronic notification that such reports have been published on the Group's website.

All news announcements other than the annual and half-yearly financial reports are distributed by email. Shareholders and other interested parties may ask to be included on the distribution list by contacting the Company Secretary at the Company's registered office or by email (secretariat@cfrinfo.net) or by registering on the Group's website <http://www.richemont.com/contact.html>

Copies of the annual and half-yearly financial reports, the preliminary announcement, trading statements, ad hoc press releases and the corporate social responsibility report may also be downloaded from the Richemont website. Copies of the statutes of Company, together with the Corporate Governance Regulations, are also available on the website.

In addition, the Group presents its annual and half-yearly financial results to analysts and major investors each year. The presentations to invited participants take place in Geneva and are simultaneously broadcast over the internet. The slide presentation is downloadable from the website. A replay of the broadcast is available on the Group's website within 24 hours of the presentation and a transcript of the presentation shortly thereafter.

Statutory and regulatory announcements are published in the Swiss Official Gazette of Commerce and, in certain cases, by SIX Swiss Exchange.