

# **RICHEMONT**

## **COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE**

### **CHANGES TO BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

**4 NOVEMBER 2016**

The Nominations Committee and Board of Compagnie Financière Richemont SA met yesterday and, inter alia, considered succession planning issues. The Board considered the impact on the Group's management structure of the impending retirement of key executives. It also considered the composition of the Board itself, recognising that rapidly changing technologies bring significant challenges to traditional business models.

Mr Richard Lepeu, Chief Executive Officer, has intimated his intention to retire with effect from 31 March 2017, when he will have reached retirement age. Mr Gary Saage, Chief Financial Officer, will re-join his family in the United States and retire from his current role effective 31 July 2017.

The Board has therefore decided to restructure the responsibilities of senior management in the Group, recognising the need to be able to react quickly to the challenges facing businesses in general and the luxury industry at this time.

Mr Johann Rupert will remain as Executive Chairman of the Group. The following senior executives will be nominated to the Board of Compagnie Financière Richemont SA for shareholder approval at the annual general meeting to be held in September 2017:

Mr Nicolas Bos, who will join the Board in his capacity as CEO of Van Cleef & Arpels;

Mr Burkhardt Grund, currently Deputy Chief Financial Officer, who will become Chief Financial Officer;

Mr Georges Kern, currently CEO of IWC Schaffhausen, who will be Head of Watchmaking, Marketing and Digital;

Mr Jérôme Lambert, currently CEO of Montblanc, who will be Head of Operations responsible for central and regional services and all Maisons other than jewellery and watchmaking.

Further nominees to the Board of Directors of the Company may be intimated ahead of the annual general meeting to be held in 2017.

The following directors will retire from the Board of Directors of Compagnie Financière Richemont SA at the 2017 annual general meeting: Mr Yves-André Istel, Mr Bernard Fornas, Mr Richard Lepeu, Mr Simon Murray, Mr Norbert Platt, Lord Renwick of Clifton, Professor Juergen Schrempp and The Duke of Wellington.

Recognising the importance of continuity in the decision making process, the Board wishes to retain the wealth of knowledge that long-serving members and former executives bring to the decision-making process. Mr Istel, Mr Murray, Lord Renwick, Professor Schrempp and The Duke of Wellington will join a new International Advisory Council. The function of the Council will be to act as a sounding board for the Board of Directors, drawing on the significant expertise of its members. Messrs Fornas, Lepeu and Platt, together with Mr Alain-Dominique Perrin, will be appointed as senior advisors to Group management, liaising directly with the Executive Chairman and senior executives.

Mr Burkhardt Grund, Deputy Chief Financial Officer, and Mr Frank Vivier, Chief Transformation Officer, will join the Group Management Committee with immediate effect.

Commenting on the proposals, Mr Johann Rupert, Chairman, said:

#### Quote

*We are presenting today a series of changes to the way in which the Group operates which will take effect over the coming year. This reflects the retirement of some of our senior colleagues, as anticipated, which we have used as an opportunity to re-think the way in which the senior management group is structured. The changes we have proposed today will strengthen the Group's ability to respond to the dynamic markets in which we operate, especially in the developing field of digital marketing and e-commerce.*

*I would like to thank both Richard Lepeu and Gary Saage for their invaluable contribution to Richemont over the past 30 or so years in the case of Richard and some 28 years for Gary. Both have been loyal and hard-working colleagues. Richard has earned his retirement and I thank him sincerely for his valuable contribution across our luxury goods businesses, including at Vendome and Cartier as well as here at Richemont. Gary's family live in the USA and he has commuted across the Atlantic to visit them for almost 10 years. He has wanted to retire for some time and I have repeatedly persuaded him to stay. Now it is time for him to move back, having established a highly professional team in Geneva and a strong finance function across all our platforms. That the Group's cash flow, even in these difficult times, has been so strong is a tribute to Gary's management of the balance sheet. His contribution to the Group and his unwavering loyalty and support should never be underestimated.*

*Our senior board members are also retiring but their expertise will not be lost to the Group. Richemont has benefited from their wisdom and input over the years and I look forward to continuing to work with them all in an advisory capacity either as members of the International Advisory Council or as senior advisors to management. In these challenging times, their contribution will continue to be highly valued.*

Unquote

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### **About Richemont**

Richemont owns a portfolio of leading international brands or 'Maisons' which are managed independently of one another, recognising their individuality and uniqueness. The businesses operate in four areas: Jewellery Maisons, being Cartier, Van Cleef & Arpels and Giampiero Bodino; Specialist watchmakers, being A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Officine Panerai, Piaget, Roger Dubuis and Vacheron Constantin, as well as the Ralph Lauren Watch and Jewelry joint venture and Other, being Alfred Dunhill, Chloé, Lancel, Montblanc as well as other smaller Maisons and watch component manufacturing activities for third parties. In addition, Richemont holds a 50% equity-accounted interest in the YOOX Net-A-Porter Group, a publicly traded company.

Richemont 'A' shares are listed on the SIX Swiss Exchange, Richemont's primary listing, and are included in the Swiss Market Index ('SMI') of leading stocks. Richemont South African Depository Receipts are listed in Johannesburg, Richemont's secondary listing.