LVMH

MOËT HENNESSY • LOUIS VUITTON

INTERNAL RULES OF THE PERFORMANCE AUDIT COMMITTEE

AS OF OCTOBER 24, 2019

THIS IS A FREE TRANSLATION PROVIDED FOR CONVENIENCE PURPOSES ONLY

The Board of Directors has formed a specialized committee responsible for auditing performance, acting under the Board's responsibility.

1. Structure of the Committee

The Performance Audit Committee shall consist of at least three Directors, appointed by the Board of Directors. At least two-thirds of its members shall be Independent Directors. The majority of the Committee's members must have served in Executive Management or equivalent roles or have specific expertise in finance, accounting or statutory audit.

At the proposal of the Nominations and Compensation Committee, the Board of Directors shall appoint a Chairman of the Committee from among the Committee's members. Unless the Board of Directors decides otherwise, the Committee Chairman shall hold office until the end of his term as Director. The Committee Chairman's term is renewable.

Neither the Chairman of the Board of Directors nor any Director serving as Chief Executive Officer or Group Managing Director of LVMH 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 an LVMH Director serves on a committee comparable in function.

2. Role of the Committee

The principal duties of the Committee are to:

- Monitor the process of preparing financial and non-financial information, in particular the parent company and consolidated financial statements, and, where applicable, make recommendations to ensure their integrity;

- Monitor the work of the Statutory Auditors, taking into account, where applicable, the observations and findings of the *Haut Conseil du Commissariat aux Comptes* (the supervisory body for the French audit industry) on checks carried out by it pursuant to Articles L.821-9 *et seq.* of the French Commercial Code;

- Ensure the existence, pertinence, application and effectiveness of internal control, risk management (including social and environmental risks), and internal audit procedures; monitor the ongoing effectiveness of those procedures; and make recommendations to Executive Management on the priorities and general direction of the work of the Internal Audit function; analyze the Company's and the Group's exposure to risks, in particular those identified by internal control and risk management systems, including social and environmental risks, as well as material off-balance sheet commitments of the Company and the Group;

- Examine risks to the Statutory Auditors' independence and, where applicable, safeguards put in place to mitigate potential risks that could compromise their independence; issue an opinion on fees paid to the Statutory Auditors, as well as those paid to the network to which they belong, by the Company and companies it controls or by which it is controlled, in respect of either their statutory audit duties or ancillary services; oversee the procedure for selecting the Company's Statutory Auditors; and make recommendations on appointments to be proposed at Shareholders' Meetings pursuant to the outcome of such consultation;

- Approve services, other than certifying the financial statements, provided by the Statutory Auditors, or members of the network to which they belong, to the Company, or to persons or entities that control or are controlled by the Company within the meaning of Sections I and II of Article L.233-3 of the French Commercial Code, after analyzing risks to the Statutory Auditors' independence and the safeguards they have put in place;

- Review key agreements entered into by Group companies and agreements entered into by any Group company with a third-party company in which a Director of LVMH SE is also a senior executive or

principal shareholder. Significant transactions falling within the scope of the provisions of Article L.225-38 of the French Commercial Code require an opinion issued by an independent expert appointed at the proposal of the Performance Audit Committee;

- Assess any conflicts of interest that may affect a Director and recommend appropriate measures to prevent or correct them.

3. Operating procedures of the Committee

A Director's agreement to serve on the Committee implies that he/she will devote the necessary time and energy to his/her duties on the Committee.

The Committee shall meet at least twice a year, without the Chairman of the Board of Directors, the Chief Executive Officer or the Group Managing Director(s), before meetings of the Board of Directors whose agenda includes a review of the annual and interim parent company and consolidated financial statements.

If necessary, the Committee may be required to hold special meetings if an event occurs that may have a material impact on the parent company or consolidated financial statements.

Before each meeting, all relevant documents and analyses relating to the various agenda items shall be sent to each member of the Committee.

Any document provided to members of the Committee in connection with their responsibilities shall be considered confidential as long as it has not been made public by the Company.

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

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

A summary report shall be drawn up after each Committee meeting.

4. Prerogatives of the Committee

The Committee shall report on its work to the Board of Directors. It shall also report on the outcome of the process of certifying the financial statements, how that process contributed to the integrity of financial information, and the Committee's role in the process. It shall submit its findings, recommendations and suggestions to the Board.

The Committee may request any and all accounting, legal or financial documents it deems necessary to carry out its responsibilities.

The Committee may at any time summon employees of the Company responsible for the preparation of the financial statements, internal control, internal audit, risk management, cash management, tax, or ethics and compliance-related legal affairs, as well as the Statutory Auditors, to appear before it, without the Chairman of the Board of Directors, the Chief Executive Officer or Group Managing Director(s) of LVMH being in attendance. These meetings may also take place in the absence of those responsible for the accounting and financial functions.

After duly notifying the Chairman of the Board of Directors, the Committee may seek assistance from external experts if circumstances so require.

5. Compensation of Committee members

The members and the Chairman of the Committee may receive a specific directors' compensation, the amount of which shall be determined by the Board of Directors and added to the total financial compensation package allocated to the term of office as Director, by the Shareholders' Meeting".