

Part II Organizational Action (continued)

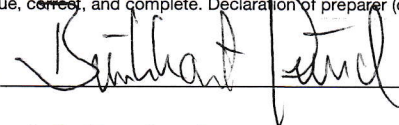
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attached statement](#)

18 Can any resulting loss be recognized? ▶ [See attached statement](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ 

Date ▶ Jan 8, 2021

Print your name ▶ **Burkhard Grund**

Title ▶ **Chief Finance Officer**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

IRS Form 8937 (REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES)

Attachments for Compagnie Financière Richemont SA

Part I, Question 10:

ISIN for A Warrants: CH0559601544

ISIN for B Warrants: CH0559601551

ISIN for A Warrant Receipts: CH0562931086

Part II. Organizational Action

Question 14. *Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action*

On November 27, 2020, Compagnie Financière Richemont SA (the “Company”) commenced a distribution of warrants to its shareholders and the Company’s wholly owned subsidiary, Richemont Securities SA (“Richemont Securities”) commenced a distribution of warrant receipts to holders of its depositary receipts (the “Depositary Receipts”), allowing the shareholders and Depositary Receipt holders to acquire new shares in the Company and Depositary Receipts issued by Richemont Securities, respectively, during the relevant exercise periods specified below (collectively, the “warrants distribution”). The Company’s shareholders and holders of the Depositary Receipts shall be referred to collectively herein as the “Shareholders”.

The terms of the warrants distribution with respect to the A Warrants and the B Warrants (each as defined below) are described in the Shareholder Information Memorandum dated as of October 19, 2020 (the “SIM”) and the terms of the warrants distribution with respect to the Depositary Receipts are described in the Supplementary Information Memorandum to Richemont Securities SA Depositary Receipt Holders dated as of October 19, 2020 (the “DR IM”). The final terms of the A Warrants indicating the Exercise Price and the Specified Number have been published on the Issuer's website on 27 November 2020.

Pursuant to the warrants distribution, each eligible shareholder of “A” shares of the Company having a par value of CHF 1.00 (the “A Shares”) received two transferrable warrants (“A Warrants”) for every one A Share held as of November 26, 2020 (after close of markets). Subject to the terms of the A Warrants, during the period from November 20, 2023 until November 22, 2023, eligible holders of A Warrants will be entitled to exercise their right to purchase new A Shares, where every payment of CHF 67 (the “A Exercise Price”) and delivery of 67 A Warrants will entitle the holder to one new A Share. The deadline to pay the A Exercise Price and deliver the A Warrants is November 24, 2023, unless otherwise amended by the Company pursuant to the terms of the A Warrants.

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Pursuant to the warrants distribution, each eligible shareholder of “B” shares of the Company having a par value of CHF 0.10 (the “B Shares” and, together with the A Shares and the Depositary Receipts, the “Shares”) received two warrants (“B Warrants”) for every one B Share held as of November 27, 2020. Subject to the terms of the B Warrants, holders of B Warrants will collectively be deemed to have exercised a number of B Warrants that is equal to the number of A Warrants that are duly exercised, and every payment of CHF 6.70 (the “B Exercise Price”) and delivery of 67 B Warrants will entitle the holder of B Warrants to one new B Share. The deadline to pay the B Exercise Price and deliver the B Warrants is November 24, 2023, unless otherwise amended by the Company pursuant to the terms of the B Warrants.

Pursuant to the warrants distribution, each eligible shareholder of Depositary Receipts of the Company received two transferrable warrant receipts (“A Warrant Receipts” and together with the A Warrants and the B Warrants, the “Warrants”) for every one Depositary Receipt held as of November 27, 2020. Subject to the terms of the A Warrant Receipts, during the period from November 17, 2023 until November 21, 2023, eligible holders of A Warrant Receipts will be entitled to exercise their right to purchase new Depositary Receipts, where every payment of an amount in ZAR equal to CHF 6.70 (converted at the CHF/ZAR exchange rate specified in the DR IM) (the “DR Exercise Price”) and delivery of 67 A Warrant Receipts will entitle the holder to one new Depositary Receipt. The deadline to pay the DR Exercise Price and deliver the A Warrant Receipts is November 22, 2023, unless otherwise amended by Richemont Securities pursuant to the terms of the A Warrant Receipts.

The warrants distribution will expire on November 29, 2023, or such other date as may be specified pursuant to the respective terms of the Warrants.

Question 15. *Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis*

The U.S. federal income tax treatment of the receipt of a Warrant by a Shareholder is subject to uncertainty. The Company is taking the position that the receipt of a Warrant is not treated as a taxable distribution for U.S. federal income tax purposes.

The Company is taking the position that the fair market value of each Warrant on the date of receipt is less than 15 percent of the fair market value of the Shareholder’s existing Shares with respect to which the Warrant was issued. Accordingly, absent an election under Section 307(b)(2) of the Internal Revenue Code (the “Code”) and Treas. Reg. § 1.307-2 to allocate basis by a Shareholder, each Warrant should be allocated a zero basis for U.S. federal income tax purposes in accordance with Section 307(b)(1) and Treas. Reg. § 1.307-2.

The information contained herein does not constitute tax advice and does not take into account any Shareholder’s specific circumstances. Shareholders should read the U.S. federal income tax discussion in the SIM under “10. Tax Aspects—10.4 US tax aspects” and consult their tax advisors, in light of their particular circumstances, regarding the U.S. federal income tax consequences of the warrants distribution.

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Question 16. *Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates*

The Company has determined that the fair market value of each Warrant is less than 15 percent of the fair market value of the Shares with respect to which such Warrant was distributed, and accordingly, absent an election by a Shareholder, the basis of each Warrant is zero and no change in basis calculation is necessary.

Question 17. *List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based*

Sections 305(a) and 307(a).

Question 18. *Can any resulting loss be recognized?*

A holder will recognize a loss on the sale or other disposition of the Warrants to the extent such holder's tax basis in the Warrants exceeds the amount realized from the sale or other disposition.

If the Warrants expire unexercised then no loss will be recognized. The portion of the basis in the Shares previously allocated to the Warrants will be reallocated to the existing Shares.