

Account of the work of H&M's Election Committee ahead of the 2009 Annual General Meeting

According to the principles for the Election Committee passed at the 2008 Annual General Meeting, H&M shall have an Election Committee made up of the Chairman of the Board plus four other members representing each of the four largest shareholders in terms of the number of votes, not including the shareholder that the Chairman of the Board may represent.

The following Election Committee was appointed at the 2008 Annual General Meeting:

Stefan Persson, Chairman of the Board
Lottie Tham representing Lottie Tham
Tomas Nicolin representing Alecta
Jan Andersson representing Swedbank Robur Fonder
Peter Lindell representing AMF Pension

Stefan Persson has been chairman of the Election Committee. The members of the Election Committee represent 73.6 percent of the votes in H & M Hennes & Mauritz AB. The above Election Committee shall continue to exist until a new Election Committee is appointed.

Work of the Election Committee

Since the 2008 AGM the Election Committee has held two minuted meetings and the members have also been in contact on other occasions. At the meetings Stefan Persson has given a verbal report on the work of the Board, which has functioned well over the year.

The Election Committee has received no external proposals.

The Election Committee's proposed resolutions

The Election Committee proposes the following resolutions to the 2009 AGM:

- Lawyer Sven Unger as chairman of the meeting.
- Seven Board members and no deputies.
- Re-election of current Board members Mia Brunell Livfors, Lottie Knutson, Sussi Kwart, Bo Lundquist, Stig Nordfelt, Stefan Persson and Melker Schörling.
Chairman of the Board: re-election of Stefan Persson.

Fred Andersson has declined re-election.

Karl-Johan Persson, who will take up the position of Managing Director and CEO of H&M on 1 July 2009, will leave his position on the Board at the 2009 AGM.

Reasoning for the composition:

The Election Committee judges that the proposed composition of the Board of Directors accords well with section 4.1 of the Swedish Code of Corporate

Governance, i.e. that the proposed Board is characterised by diversity and breadth of expertise, experience and background.

The proposed composition meets the requirements of both the Stockholm Stock Exchange and the Swedish Code of Corporate Governance concerning the independence of members.

- It is proposed that the Board fees for each member elected by the AGM shall be unchanged:
Chairman of the Board SEK 1,350,000
Board member elected by the annual general meeting SEK 375,000
Chairman of the Auditing Committee SEK 125,000
Member of the Auditing Committee SEK 75,000

The proposal results in a reduction of Board fees by SEK 375,000 to SEK 3,875,000 in total.

- It is proposed that, as previously, the auditors' fees be paid based on the invoices submitted.
- The Election Committee proposes that the authorized auditing firm Ernst & Young AB be elected as the company's auditor for a 4-year mandate period, i.e. until the end of the Annual General Meeting to be held in 2013.
- Establishment of principles for the Election Committee and election of members of the Election Committee. See Annex 1.

More detailed information on the proposed Board members can be found at www.hm.com under Investor Relations, Corporate Governance, Board of Directors.

March 2009

The Election Committee of H & M Hennes & Mauritz AB

Annex 1.

ESTABLISHMENT OF PRINCIPLES FOR THE ELECTION COMMITTEE AND ELECTION OF MEMBERS OF THE ELECTION COMMITTEE

The Election Committee proposes that the 2009 Annual General Meeting passes the following resolutions.

1. That the Annual General Meeting appoint the Chairman of the Board plus Lottie Tham representing Lottie Tham, Staffan Grefbäck representing Alecta, Jan Andersson representing Swedbank Robur Fonder and Peter Lindell representing AMF Pension as the Election Committee. This Election Committee shall take up its duties immediately. Its term of office shall continue until a new Election Committee is appointed.
2. No fees shall be paid to the members of the Election Committee. The Election Committee may charge to the company any reasonable costs for travel expenses and investigations.
3. Unless the members of the Election Committee agree otherwise, the chairman of the Election Committee shall be the member representing the largest shareholder.
4. The Election Committee shall submit proposals to the 2010 Annual General Meeting for:
 - a) election of the chairman of the meeting
 - b) resolution on the number of Board members
 - c) resolution on Board fees for the Chairman of the Board and for each of the other members of the Board
 - d) resolution on remuneration for work on the Board committees
 - e) election of Board members
 - f) election of Chairman of the Board
 - g) resolution on fees to the auditors
 - h) election of Election Committee, or resolution on principles for the establishment of the Election Committee, as well as resolution on instructions for the Election Committee.
5. Should a shareholder represented by Lottie Tham, Staffan Grefbäck, Jan Andersson or Peter Lindell notify the Election Committee that this shareholder wishes its representative to be replaced (e.g. because the person concerned is no longer employed), the Election Committee shall resolve that the person concerned shall leave the Committee.
6. Should a member leave the Election Committee before its work is complete and the Election Committee deems it necessary to replace this member, the Election Committee shall appoint a new member; in the first instance, a representative of the shareholder that was represented by the departing member, provided that the shareholder remains one of the five largest shareholders in the company.

7. Should a shareholder represented by Lottie Tham, Staffan Grefbäck, Jan Andersson or Peter Lindell no longer be one of the five largest shareholders in the company, the Election Committee may resolve that the member representing the shareholder shall leave the Committee. In which case, the Election Committee may appoint a new member; in the first instance, a representative of the shareholder that has become one of the five largest shareholders.
8. Should a shareholder invited by the Election Committee to propose a member decline to make a proposal, the Election Committee shall invite the next largest shareholder that did not previously have a representative on the Election Committee.
9. Changes to the composition of the Election Committee shall be published immediately.

Comments: The Election Committee's proposal for members is based on previously applied principles for the composition of the Election Committee, namely that the Election Committee shall consist of the Chairman of the Board plus four other members representing each of the four largest shareholders in terms of votes, as far as can be ascertained from the register of shareholders, other than the shareholder the Chairman of the Board may represent. In other aspects, the proposal is also based on previously applied principles. The Election Committee's proposals for the election of members of the Election Committee are based on shareholdings as at 27 February 2009.