

PRESS RELEASE

30 March 2016



NOTICE OF H&M's ANNUAL GENERAL MEETING 2016

Shareholders of H & M Hennes & Mauritz AB (publ) are hereby invited to the annual general meeting (AGM) on Tuesday 3 May 2016 at 3 p.m. at Aula Medica, Erling Persson Hall, Nobels väg 6, Karolinska Institutet in Solna. We recommend using public transport to travel to and from Aula Medica.

NOTICE OF ATTENDANCE

Shareholders who wish to attend the AGM shall

- both* be entered in the company's register of shareholders kept by Euroclear Sweden AB in their own name (not nominee-registered) by Wednesday 27 April 2016
- and* notify their intention to attend the annual general meeting by Wednesday 27 April 2016 at the latest, in writing to the address H & M Hennes & Mauritz AB, Carola Ardéhn, 106 38 Stockholm, Sweden, by telephone to +46 (0)8 796 55 00, by fax to +46 (0)8 796 55 44 or on the company's website at www.hm.com/agm.
- The attendance of any assistants (maximum two) is to be notified to the same addresses by the same date.

Shareholders must state in the notice their name, civil identity number or corporate registration number, telephone number (daytime) as well as the number of shares held. In order to attend the meeting shareholders whose shares are nominee-registered must have their shares registered directly with Euroclear Sweden AB in their own name. Such re-registration must be effected by Wednesday 27 April 2016. In order to re-register shares in time, shareholders should make the request via their nominee in good time before this date. Such registration may be temporary. Passes for those attending will be sent out from 28 April onwards.

A proxy form is available on the company's website at www.hm.com/agm.

AGENDA

1. Opening of the AGM.
2. Election of a chairman for the AGM.
3. Address by CEO Karl-Johan Persson followed by an opportunity to ask questions about the company.
4. Establishment and approval of voting list.
5. Approval of the agenda.
6. Election of people to check the minutes.
7. Examination of whether the meeting was duly convened.
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 - a. Presentation of the annual accounts and auditor's report as well as the consolidated accounts and consolidated auditor's report, and auditor's statement on whether the guidelines for remuneration to senior executives applicable since the last AGM have been followed.
 - b. Statement by the company's auditor and the chairman of the auditing committee.
 - c. Statement by the chairman of the board on the work of the board.
 - d. Statement by the chairman of the nomination committee on the work of the nomination committee.
9. Resolutions
 - a. Adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet.

- b. Disposal of the company's earnings in accordance with the adopted balance sheets, and record date.
 - c. Discharge of the members of the board and CEO from liability to the company.
10. Establishment of the number of board members and deputy board members.
 11. Establishment of fees to the board and auditors.
 12. Election of board members and chairman of the board.
 13. Establishment of principles for the nomination committee and election of members of the nomination committee.
 14. Resolution on guidelines for remuneration to senior executives.
 15. Resolution on the board's proposal to amend the articles of association.
 16. Resolutions on the following matters initiated by shareholder Thorwald Arvidsson, proposing that the meeting resolves to:
 - 16.1 adopt a zero vision with regard to anorexia within the industry;
 - 16.2 instruct the board of directors to appoint a working party to realise this zero vision as far as possible;
 - 16.3 the result is to be reported back to the annual general meeting each year in writing, preferably through inclusion of the report in the printed annual report;
 - 16.4 adopt a vision of absolute equality at all levels within the company between men and women;
 - 16.5 instruct the board of directors to appoint a working party to realise this vision in the longer term and to carefully monitor developments in the areas of both equality and ethnicity;
 - 16.6 annually submit a written report to the annual general meeting, preferably through inclusion of the report in the printed annual report;
 - 16.7 instruct the board to take the necessary measures to bring about a shareholders' association in the company;
 - 16.8 member of the board shall not be permitted to invoice their board fees via a legal entity, Swedish or foreign;
 - 16.9 instruct the board to draw attention, by contacting the relevant authority (the government and/or the Swedish Tax Agency), to the need for a change in the rules in the area concerned;
 - 16.10 in the performance of its tasks the nomination committee shall pay particular regard to matters associated with ethics, gender and ethnicity;
 - 16.11 instruct the board to draw attention, by contacting the government, to the need to introduce a national so-called "politician quarantine"; and
 - 16.12 instruct the board to draw up a proposal for representation of the small and medium-sized shareholders on both the company's board of directors and the nomination committee, to be submitted to the 2017 annual general meeting or an extraordinary general meeting convened before that.
 - 16.13 instruct the board to draw attention, by contacting the government, to the desirability of a change in the law such that the possibility of so-called graduated voting rights in Swedish limited companies is abolished.
 17. Resolution on proposal by shareholder Thorwald Arvidsson to amend the articles of association.
 - 17.1 Amending § 5 as follows: "Both series A shares and series B shares shall be entitled to one vote. In other respects..."
 - 17.2 Supplementing § 7 with a second paragraph: "Persons who were previously government ministers must not be appointed as members of the board until two years have passed since the person concerned left their ministerial position. Other full-time politicians paid from the public purse must not be appointed as members of the board until one year has passed since the person concerned left their position, except where there is particular reason to allow otherwise."
 18. Closing of the AGM.

Nomination committee

The current nomination committee comprises Stefan Persson, chairman of the board and also chairman of the nomination committee, Lottie Tham, Liselott Ledin (Alecta), Jan Andersson (Swedbank Robur Fonder) and Anders Oscarsson (AMF and AMF Fonder).

Resolutions proposed by the nomination committee

Item 2 Proposed by the nomination committee: the lawyer Sven Unger is proposed as chairman of the AGM.

Item 10 – The nomination committee proposes eight board members with no deputies (previous year eight board members and no deputies).

Item 11 – The nomination committee proposes that the board fees for each member elected by the general meeting are distributed as follows: chairman of the board SEK 1,625,000; members SEK 575,000; members of the auditing committee an extra SEK 125,000; and the chairman of the auditing committee an extra SEK 175,000.

If the meeting approves the nomination committee's proposal for the composition of the board, and if the number of members of the auditing committee remains as before, the total fees will be SEK 6,075,000, which is an increase of SEK 250,000.

It is proposed that, as previously, the auditor's fees be paid based on the invoices submitted.

Item 12 – The nomination committee proposes the following board of directors. Election of new members: Stina Honkamaa Bergfors and Erica Wiking Häger. Re-election of the following current board members: Anders Dahlvig, Lena Patriksson Keller, Stefan Persson, Melker Schörling, Christian Sievert and Niklas Zennström. Lottie Knutson and Sussi Kvart are not standing for re-election.

Chairman of the board: re-election of Stefan Persson.

Information on the proposed new board members:

Stina Honkamaa Bergfors: Born 1972.

Primary occupation: Co-founder of the digital media company United Screens, where she currently works on strategic matters and business development.

Education: Bachelor's degree in business and economics, honorary doctorate from Luleå University of Technology.

Stina has been honoured several times for her leadership and strategic thinking within the media industry. Stina is a member of the Swedish Media Commission's group of experts and is also involved in the Prince Daniel Fellowship at the Royal Swedish Academy of Engineering Sciences (IVA).

Board positions: Member of Ikea's global board of directors and a member of the board of Eniro.

Shareholding: 1,000. Shares held by related parties: 3,000.

Erica Wiking Häger: Born 1970.

Primary occupation: Partner at Mannheimer Swartling Advokatbyrå and chair of Mannheimer Swartling's Corporate Sustainability & Risk Management practice group.

Erica has 15 years' experience of qualified business law work in an international context in areas such as commercial contracts, international expansion and data privacy.

Education: Master of Laws from Uppsala University, LL.M. from Harvard Law School in the US and supplementary studies at the University of Oklahoma in the US and Ruprecht-Karls-Universität Heidelberg in Germany.

Shareholding: 0. Shares held by related parties: 835.

More information on all the proposed board members can be found at www.hm.com.

ESTABLISHMENT OF PRINCIPLES FOR THE NOMINATION COMMITTEE AND ELECTION OF MEMBERS OF THE NOMINATION COMMITTEE, item 13

The nomination committee's proposal for members is based on previously applied principles for the composition of the nomination committee, namely that the nomination committee shall consist of the chairman of the board plus four others nominated by 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 nomination committee's proposals for the election of members of the nomination committee are based on shareholdings as at 29 February 2016.

The nomination committee proposes that the 2016 annual general meeting passes the following resolution.

1. That the annual general meeting appoint the chairman of the board, Lottie Tham, Liselott Ledin (nominated by Alecta), Jan Andersson (nominated by Swedbank Robur fonder) and Anders Oscarsson (nominated by AMF and AMF Fonder) as the nomination committee. This nomination committee shall take up its duties immediately. Its term of office shall continue until a new nomination committee is appointed.

2. No fees shall be paid to the members of the nomination committee. The nomination committee may charge to the company any reasonable costs for travel and investigations.

3. Unless the members of the nomination committee agree otherwise, the chairman of the nomination committee shall be the member representing the largest shareholder.

4. The nomination committee shall submit proposals to the 2017 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 (including work in board committees)
- d) election of board members
- e) election of chairman of the board
- f) election of auditors
- g) resolution on fees to the auditors
- h) election of nomination committee, or resolution on principles for the establishment of the nomination committee, as well as resolution on instructions for the nomination committee.

5. Should a shareholder that nominated Liselott Ledin, Jan Andersson or Anders Oscarsson notify the nomination committee that this shareholder wishes the person it nominated to be replaced (e.g. because the person concerned is no longer employed), the nomination committee shall resolve that the person concerned shall leave the committee.

6. Should a member leave the nomination committee before its work is complete and the nomination committee deems it necessary to replace this member, the nomination committee shall appoint a new member; in the first instance, a member nominated by the shareholder that the departing member was nominated by, provided that the shareholder remains one of the five largest shareholders in the company.

7. Should a shareholder that nominated Liselott Ledin, Jan Andersson or Anders Oscarsson no longer be one of the five largest shareholders in the company, the nomination committee may resolve that the member nominated by that shareholder shall leave the committee. In which case, and even in the event that the nomination committee resolves that the member concerned shall not leave the committee, the nomination committee may appoint a new, or additional, member; in the first instance, a member nominated by the shareholder that is now one of the five largest shareholders.

8. Should a shareholder invited by the nomination committee to propose a member decline to make a proposal, the nomination committee shall invite the next largest shareholder that has not previously nominated a member of the nomination committee.

9. Changes to the composition of the nomination committee shall be published as soon as possible.

Resolutions proposed by the board **DIVIDEND AND RECORD DATE, item 9 b**

The board has proposed a dividend to the shareholders of SEK 9.75 per share. The board of directors has proposed Friday 6 May 2016 as the record date. If the resolution is passed, dividends are expected to be paid out by Euroclear Sweden AB on Wednesday 11 May 2016.

PROPOSED RESOLUTION ON GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES, item 14

The board's proposal to the annual general meeting on 3 May 2016 in respect of guidelines for remuneration of senior executives is essentially the same as the guidelines adopted at the 2015 annual general meeting.

The board considers it of the utmost importance that senior executives are paid competitive, attractive remuneration at a market level, as regards both fixed and variable compensation, based on responsibilities and performance. The board's proposed remuneration is in the best interests of the company and its shareholders from a growth perspective, since it helps motivate and retain talented and committed senior executives.

Like the guidelines adopted at the 2015 and 2014 annual general meetings, the board's proposal to the 2016 annual general meeting for guidelines for remuneration of senior executives is divided into two parts: general guidelines and supplementary guidelines.

The general guidelines are aimed at a group of around 50 senior executives and are based on performance in the previous year, linked to certain quantifiable targets set in advance. The supplementary guidelines are aimed at some of these individuals. The supplementary guidelines are based on performance compared with targets set, but are also conditional upon the senior executive remaining employed by the H&M group for at least five years.

The board's reasoning for the supplementary guidelines is as follows: in view of H&M's strong expansion and the important stage of development that H&M is at, including multi-brand and multichannel developments, the aim is to ensure that these key individuals in senior positions remain with the H&M group during this important development phase.

Below is a more detailed account of the board's proposal to the 2016 AGM for guidelines:

General guidelines

The term "senior executives" covers the CEO, other members of executive management, country managers and certain key individuals. The number of individuals covered by the term senior executives is currently around 50.

Compensation for senior executives is based on factors such as work tasks, expertise, position, experience and performance. Senior executives are compensated at what are considered by the company to be competitive market rates. Senior executives are also entitled to the benefits provided under the H&M Incentive Program.

H&M is present in nearly 50 countries excluding franchise markets and levels of compensation may therefore vary from country to country. Senior executives receive a fixed salary, pension benefits and other benefits such as healthcare and car benefits. The largest portion of the remuneration consists of the fixed salary. For information on variable components, see the section below.

In addition to the ITP plan, executive management and certain key individuals are covered by either a defined benefit or defined contribution pension plan. The retirement age for these individuals varies between 60 and 65 years. Members of executive management and country managers who are employed by a subsidiary abroad are covered by local pension arrangements and a defined contribution plan. Other than the ITP plan, no defined benefit pension plans have been taken out for executive management since 2005. The retirement age for these is in accordance with local retirement age rules. The cost of these commitments is partly covered by separate insurance policies.

The period of notice for senior executives varies from three to twelve months. No severance pay agreements exist within H&M other than for the CEO.

Pension terms etc. for the CEO

The retirement age for the CEO is 65. The CEO is covered by the ITP plan and a defined contribution plan. The total pension cost shall amount in total to 30 percent of the CEO's fixed salary. The CEO is entitled to 12 months' notice. In the event that the company cancels the CEO's employment contract, the CEO will also receive severance pay of an extra year's salary.

Variable remuneration

The CEO, country managers, certain senior executives and certain key individuals are included in a bonus scheme. The size of the bonus per person is based on the fulfilment of targets in their respective areas of responsibility. The result is linked to the measurable profit targets (qualitative, quantitative, general, individual) set in advance within their respective areas of responsibility. These targets also include measurable targets for sustainability. The targets within each area of responsibility are aimed at promoting H&M's development in both the short and the long term.

For the CEO the maximum bonus is SEK 0.9 m net after tax. For other senior executives the maximum bonus is SEK 0.3 m net after tax. Net after tax means that income tax and social security costs are not included in the calculation. The bonuses that are paid out must be invested entirely in shares in the company, which must be held for at least five years. Since H&M is present in markets with varying personal income tax rates, the net model has been chosen because it is considered fair that the recipients in the different countries should be able to purchase the same number of H&M shares for the amounts that are paid out.

In individual cases other members of executive management, key individuals and country managers may, at the discretion of the CEO and the chairman of the board, receive one-off payments of up to a maximum of 30 percent of their fixed yearly salary.

Supplementary guidelines

In addition to the general guidelines, the board has prepared supplementary guidelines for certain managers and other key individuals, such that these individuals are covered by both the general guidelines and the supplementary guidelines. The CEO is not, however, included in the supplementary guidelines.

Remuneration according to the supplementary guidelines is based on performance compared with targets set, but is also conditional upon the senior executive remaining employed by the H&M group for at least five years. The five-year rule applies with effect from the year that the annual general meeting adopted the arrangement – which was at the annual general meeting in spring 2014 – up to and including the month of May five years later, i.e. in 2019.

Provided that the abovementioned criteria are met, the senior executives covered by the supplementary guidelines are thus entitled to a cash payment after five years.

At individual level, the cash payment may vary between SEK 0.5 m and SEK 5 m net after tax; the exact distribution per individual will be decided by the CEO and the chairman of the board.

Cost to H&M: The total cost to the company is estimated at around SEK 30 m per year including social security costs over five years.

Miscellaneous

The board of directors may deviate from the guidelines for remuneration of senior executives in individual cases where there is a particular reason for doing so.

Where a board member performs work for the company in addition to his or her board work, a separate fee may be paid for this. This also applies if the work is performed by a company wholly or partly owned by the board member.

RESOLUTION ON AMENDMENT OF THE ARTICLES OF ASSOCIATION, item 15

The board of directors proposes the following amendments to the articles of association.*

Current wording

§ 2 The object of the enterprise is to carry on retail trading in textiles and ready-to-wear clothing, shoes, watches and pens, accessories for the home principally textiles, cosmetics and other similar goods.

§ 9 The company shall have one or two auditors and an equivalent number of deputies or one or two registered auditing companies. The auditor shall serve until the close of the annual general meeting that is held during the fourth financial year after that in which the auditor was appointed.

§ 12 The notice to attend the general meeting shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and in the national daily newspapers Svenska Dagbladet and Dagens Nyheter, and the notice shall also be made available on the company's website.

§ 14 The Annual General Meeting shall address the following items of business:

1 Election of a chairman for the meeting;

7 Resolutions:

- a. Approval of the income statement and balance sheet and approval of the consolidated income statement and consolidated balance sheet;
- b. Allocations in respect of the company's profit or loss according to the approved balance sheet;
- c. Discharging the members of the board of directors and the managing director from liability;

9 Determining the fees payable to the board of directors and the auditors, if applicable;

10 Election of the board of directors and, if applicable, the auditors and deputy auditors;

11 Any other business to be dealt with by the general meeting in accordance with the

Proposed amended wording

§ 2 The object of the enterprise is, *directly or indirectly,*

- *to carry on trading in textiles and ready-to-wear clothing, shoes, accessories, cosmetics, watches, pens, accessories for the home – principally textiles and other similar goods;*
- *to carry on trading in groceries and to carry on café and restaurant operations;*
- *to own and manage securities, equipment and real estate;*
- *to conduct financing activities within the context of the operations stated above; and*
- *to provide services associated with the activities stated above.*

§ 9 The company shall have one or two auditors and an equivalent number of deputies or one or two registered auditing companies. ~~The auditor shall serve until the close of the annual general meeting that is held during the fourth financial year after that in which the auditor was appointed.~~

§ 12 The notice to attend the general meeting shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) *and on the company's website. The fact that the meeting has been convened shall be advertised in and in the national daily newspapers Svenska Dagbladet and Dagens Nyheter., and the notice shall also be made available on the company's website.*

§ 14 The Annual General Meeting shall address the following items of business:

1 Election of a chairman for the meeting;

7 Resolutions:

- a Approval of the income statement and balance sheet and approval of the consolidated income statement and consolidated balance sheet;
- b Allocations in respect of the company's profit or loss according to the approved balance sheet;
- c Discharging the members of the board of directors and the chief executive officer from liability;

9 Determining the fees payable to the board of directors and *to the auditors, if applicable;*

10 Election of the board of directors and, ~~if applicable,~~ *election of the auditors and deputy auditors;*

11 *Establishment of guidelines for*

Current wording

Swedish Companies Act or the company's Articles of Association.

Proposed amended wording

remuneration to senior executives;
12 Any other business to be dealt with by the general meeting in accordance with the Swedish Companies Act or the company's Articles of Association.

*The English text is a translation of the Swedish articles of association. In case of any discrepancy, the Swedish original will prevail.

Information at the AGM

Shareholders are entitled to certain information at the AGM. The board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the financial situation of the company or its subsidiaries, and the company's relations with another company within the group.

Anyone wishing to submit questions in advance may do so to:

H & M Hennes & Mauritz AB
The Board of Directors
Att: Carola Ardéhn
106 38 Stockholm
Sweden

Or by e-mail: hm3may@hm.com

Number of shares and votes

There are 194,400,000 class A shares in the company with ten votes per share and 1,460,672,000 class B shares with one vote per share, with the result that the total number of shares in H&M is 1,655,072,000 and the total number of votes is 3,404,672,000.

The annual report for 2015 will be published at www.hm.com on 30 March 2016. It will then be available at H&M's head office, Mäster Samuelsgatan 46A, 106 38 Stockholm and will be sent out to shareholders submitting such a request and stating their postal address. The annual report will be presented at the meeting, as will the auditor's report, auditor's statement and the board's reasoned statement concerning payment of dividend.

Stockholm, March 2016
The Board of Directors

Contacts:

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Press images and background information for editorial use can be downloaded from www.hm.com

The information in this notice is that which H & M Hennes & Mauritz AB (publ) is required to disclose under stock market rules. It was released for publication at 08:00 (CET) on 30 March 2016.
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The notice of the annual general meeting will be published on 30 March 2016 on the company's website www.hm.com/agm and on 4 April 2016 in the newspapers DN and SvD, as well as in Post- och Inrikes Tidningar on the website of Bolagsverket, the Swedish Companies Registration Office.

H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on Nasdaq Stockholm. H&M's business idea is to offer fashion and quality at the best price in a sustainable way. In addition to H&M, the group includes the brands & Other Stories, Cheap Monday, COS, Monki and Weekday as well as H&M Home. The H&M Group has more than 3,900 stores in 61 markets including franchise markets. In 2015, sales including VAT were SEK 210 billion and the number of employees is more than 148,000. For further information, visit hm.com.