

PRESS RELEASE

28 March 2014



NOTICE OF H&M's ANNUAL GENERAL MEETING 2014

Shareholders of H & M Hennes & Mauritz AB (publ) are hereby invited to the Annual General Meeting (AGM) on Tuesday 29 April 2014 at 3 p.m., at Victoriahallen, Stockholmsmässan, Älvsjö in Stockholm.

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 23 April 2014
- and* notify their intention to attend the Annual General Meeting by Wednesday 23 April 2014 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 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 temporarily re-registered with Euroclear Sweden AB in their own name. Such re-registration must be effected by Wednesday 23 April 2014. 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 24 April onwards.

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

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.
- 8 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 Election Committee on the work of the Election 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 Election Committee and election of members of the Election Committee.
 14. Resolution on guidelines for remuneration to senior executives.
 15. Closing of the AGM.

Election Committee

The current Election Committee comprises Stefan Persson, Chairman of the Board and also chairman of the Election Committee, Lottie Tham, Liselott Ledin (Alecta), Jan Andersson (Swedbank Robur Fonder) and Anders Oscarsson (AMF and AMF Fonder).

Resolutions proposed by the Election Committee

Item 2

Proposed by the Election Committee: the lawyer Sven Unger is proposed as chairman of the AGM.

Item 10 – The Election Committee proposes eight Board members with no deputies. (previous year eight Board members and no deputies)

Item 11 – The Election Committee proposes that the Board fees for each member elected by the general meeting are distributed as follows: Chairman of the Board SEK 1,500,000; members SEK 525,000; members of the Auditing Committee an extra SEK 100,000; and the chairman of the Auditing Committee an extra SEK 150,000.

If the meeting approves the Election 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 5,525,000, which is an increase of SEK 500,000.

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

Item 12 – The Election Committee proposes the following Board of Directors.

New members: Lena Patriksson Keller and Niklas Zennström. Re-election of the following current Board members: Anders Dahlvig, Lottie Knutson, Sussi Kwart, Stefan Persson, Melker Schörling and Christian Sievert.

Bo Lundquist has declined re-election. Mia Brunell-Livfors left the Board of H&M at her own request as of the end of 2013.

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

Information on proposed new Board members:

Lena Patriksson Keller:

Born 1969

Main occupation: Executive Chairman at Patriksson Communication

Professional experience: has worked in the fashion industry for more than 20 years, focusing on branding and communications but also in buying, distribution and product range.

Board assignments: positions on the boards of WESC and Elite Hotels, and chairman of the board of ASFB, the industry organisation Association of Swedish Fashion Brands.

Own shareholding in H&M: 700 shares

Related parties' shareholdings in H&M: 9,450 shares

Niklas Zennström:

Born 1966

Main occupation: CEO of venture capital company Atomico, which focuses on fast-growing tech companies, and involved in Zennström Philanthropies, which supports organisations particularly associated with climate change, social entrepreneurship, the Baltic Sea environment and human rights.

Professional experience: co-founded companies including venture capital company Atomico, IP telephony company Skype, file sharing service Kazaa and internet video service Joost.

Board assignments: member of the board of Rovio, Atomico, Zennström Philanthropies, Fon, Fab and The Climate Group.

Shareholding in H&M: 0 shares

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

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

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 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 Election Committee's proposals for the election of members of the Election Committee are based on shareholdings as at 28 February 2014.

The Election Committee proposes that the 2014 Annual General Meeting passes the following resolutions.

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 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 2015 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) resolution on fees to the auditors
 - g) 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 that nominated Liselott Ledin, Jan Andersson or Anders Oscarsson notify the Election Committee that this shareholder wishes the person it nominated 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 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 Election Committee may resolve that the member nominated by that shareholder shall leave the Committee. In which case, and even in the event that the Election Committee resolves that the member concerned shall not leave the Committee, the Election 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 Election Committee to propose a member decline to make a proposal, the Election Committee shall invite the next largest shareholder that has not previously nominated a member of the Election Committee.

9. Changes to the composition of the Election 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 9.50 per share. The Board of Directors has proposed Monday 5 May 2014 as the record date. If the resolution is passed, dividends are expected to be paid out by Euroclear Sweden AB on Thursday 8 May 2014.

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

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.

The Board's proposal to the 2014 AGM differs from previous guidelines because the proposal to the 2014 AGM also contains supplementary guidelines for remuneration of certain senior executives. The Board has thus divided the guidelines for remuneration of senior executives into two parts: general guidelines and supplementary guidelines.

The general guidelines, which are the same as those adopted at the 2013 AGM, 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, which are aimed at around a third of these individuals, are based on a "stay on board" principle. The supplementary guidelines do not apply to the CEO, who is included only in the general guidelines.

The Board's reasoning for the supplementary guidelines is as follows: in view of H&M's strong expansion phase and the important development phase that H&M is in, including multi-brand and multi-channel developments, the aim is to ensure that these key individuals in senior positions remain with the H&M Group during this important development phase. The proposal was prepared by the Board with the assistance of external advisors.

Below is a more detailed account of the Board's proposal to the 2014 AGM for general and supplementary guidelines:

General guidelines

The term "senior executives" covers the Chief Executive Officer, 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 more than 40 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 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. 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 Chief Executive Officer.

Pension terms etc. for the Chief Executive Officer

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

Variable remuneration

The Chief Executive Officer, 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 Chief Executive Officer 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 Chief Executive Officer and the Chairman of the Board, receive one-off payments 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, which are primarily aimed at executive management but also at certain other key individuals. The Chief Executive Officer is not, however, included in the supplementary guidelines. Overall, around a third of the senior executives who are covered by the above mentioned general guidelines are also covered by the supplementary guidelines.

The supplementary guidelines are based on a “stay on board” principle, which means that the remuneration linked to the supplementary guidelines is conditional upon the senior executive remaining employed within the H&M Group for at least five years. Provided that the 2014 AGM approves the programme, the five-year rule applies from and including May 2014 up to and including May 2019.

Cash remuneration in 2019

Provided that the “stay on board” principle is fulfilled, the senior executives covered by the supplementary guidelines are 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.

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
Attn.: Carola Ardéhn
106 38 Stockholm
Sweden

Or by e-mail: hm29april@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 2013 will be published at www.hm.com on 2 April 2014. 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 2014
The Board of Directors

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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 the Securities Exchange and Clearing Operations Act. It was released for publication at 08:00 (CET) on 28 March 2014.

The notice of the Annual General Meeting will be published on 28 March 2014 on the company's website www.hm.com/arsstamma and on 1 April 2014 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 established in Sweden in 1947 and is quoted on NASDAQ OMX Stockholm. The company's business concept is to offer fashion and quality at the best price. In addition to H&M, the Group includes the brands COS, Monki, Weekday, Cheap Monday and & Other Stories as well as H&M Home. Today the H&M Group has more than 3,200 stores in 53 markets. In 2013, sales including VAT were around SEK 150 billion and the number of employees exceeded 116,000. For further information, visit hm.com.