

## PRESS RELEASE

22 March 2011



## NOTICE OF H&M's ANNUAL GENERAL MEETING 2011

Shareholders of H & M Hennes & Mauritz AB (publ) are hereby invited to the Annual General Meeting (AGM) on Thursday 28 April 2011 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 (formerly VPC AB) in their own name (not nominee-registered) by Wednesday 20 April 2011

*and* notify their intention to attend the Annual General Meeting by Wednesday 20 April 2011, 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/arsstamma](http://www.hm.com/arsstamma). 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 (formerly VPC AB) in their own name. Such re-registration must be complete by Wednesday 20 April 2011. 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 when notice of attendance is received. A proxy form is available on the company's website at [www.hm.com/arsstamma](http://www.hm.com/arsstamma).

### AGENDA

1. Opening of the AGM.
2. Election of a chairman for the AGM.
3. Address by Managing Director 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 auditors' report as well as the consolidated accounts and the consolidated auditors' report, and auditors' 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 Managing Director 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 amendment of the articles of association.
15. Resolution on guidelines for remuneration to senior executives.
16. 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**

#### **ELECTION OF A CHAIRMAN FOR THE AGM, item 2**

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

### **BOARD OF DIRECTORS, items 10, 11 and 12**

**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 as follows: Chairman of the Board SEK 1,350,000; members SEK 450,000; 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 4,850,000.

The proposed total Board fees represent an increase of SEK 600,000 compared with the previous year.

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

**Item 12** – The Election Committee proposes the following Board of Directors. Re-election of current Board members: Mia Brunell Livfors, Anders Dahlvig, Lottie Knutson, Sussi Kvarn, Bo Lundquist, Stefan Persson, Melker Schörling and Christian Sievert.  
Chairman of the Board: re-election of Stefan Persson.

More information on all the proposed Board members can be found at [www.hm.com](http://www.hm.com).

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

The Election Committee proposes that the 2011 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, Liselott Ledin representing Alecta, Jan Andersson representing Swedbank Robur Fonder and Anders Oscarsson representing 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 2012 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 committee
  - 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, Liselott Ledin, Jan Andersson or Anders Oscarsson 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, 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 representing the shareholder shall leave the Committee. In which case, and even in the event that the Election Committee resolves that the member shall not leave the Committee, the Election Committee may appoint a new, or additional, 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 as soon as possible.

*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 28 February 2011.*

**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 Tuesday 3 May 2011 as the record date. If the resolution is passed, dividends are expected to be paid out by Euroclear Sweden AB on Friday 6 May 2011.

**PROPOSED RESOLUTION ON AMENDMENT OF THE ARTICLES OF ASSOCIATION,**  
**item 14**

The Board proposes that the AGM resolve to amend the articles of association, among other things for the purpose of adapting the articles of association to changes in the Swedish Companies Act which entered into force on 1 November 2010 and 1 January 2011. The proposed amendments essentially comprise the following:

- The provision concerning the auditor's period of office is supplemented such that 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 (§ 9).
- The provision concerning where the annual general meeting shall be held is modified by deleting the word "Annual". The provision will then encompass all kinds of general meetings (§ 11).
- The provision concerning notice of the general meeting shall be supplemented with a statement that the meeting shall also be advertised on the company's website. In addition, the information concerning time limits is deleted, since this is laid down in law (§ 12).
- Notices of extra general meetings other than those at which amendment of the articles of association is to be considered may be issued between six and three weeks prior to the meeting.
- It is proposed that the provision stating that the general meeting shall be opened by the Chairman of the Board, or a person appointed by the Board of Directors, is removed since this is laid down in law (§ 13). It is proposed that consequential changes be made to the numbering of §§ 14-16 of the articles of association.
- The stated time (12.00 noon) in the provision concerning shareholders' notice of attendance at the general meeting is deleted (§ 14 first sentence).

**Current wording**

§ 9

The company shall have one or two auditors and an equivalent number of deputies or one or two registered auditing companies.

§ 11

*Annual* general meetings shall be held in Stockholm.

§ 12

The notice to attend shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and in the national daily newspapers, Svenska Dagbladet and Dagens Nyheter, no earlier than six weeks and no later than four weeks prior to the meeting.

**Proposed amended wording**

§ 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.*

§ 11

General meetings shall be held in Stockholm.

§ 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.* *The fact that the meeting has been convened shall be advertised in Svenska Dagbladet and Dagens Nyheter.*

## Current wording

§ 13

*The Chairman of the Board or a person appointed by the board shall open the AGM and lead the proceedings until the general meeting has elected a chairman.*

§ 14 (first sentence)

Shareholders wishing to participate in the proceedings of the general meeting shall both be included in the print-out or other presentation of the full share register reflecting the circumstances five working days prior to the general meeting and shall give notice of their attendance to the company by 12.00 noon on the date specified in the notice convening the meeting.

## Proposed amended wording

(It is proposed that this provision be removed.)

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(Consequential changes to numbering of §§ 14-16.)

§ 13 (first sentence)

Shareholders wishing to participate in the proceedings of the general meeting shall both be included in the print-out or other presentation of the full share register reflecting the circumstances five working days prior to the general meeting and shall give notice of their attendance to the company by the date specified in the notice convening the meeting.

## **PROPOSED RESOLUTION ON GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES, item 15**

The term "senior executives" covers the Managing Director, other members of executive management, country managers and other key individuals. The number of individuals covered by the term senior executives is currently around 40.

Senior executives are entitled to the benefits provided under the H&M Incentive Program.

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.

H&M is present in more than 30 countries and the 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 is payable within H&M, except in the case of the Managing Director.

### **PENSION TERMS ETC. FOR THE MANAGING DIRECTOR**

The retirement age for the Managing Director is 65. The Managing Director is covered by the ITP plan and a defined contribution plan. The total pension cost shall not exceed a total of 30 percent of the Managing Director's fixed salary. The Managing Director is entitled to 12 months' notice. In the event the company cancels the employment contract, the Managing Director will receive severance pay of an additional year's salary.

### **VARIABLE REMUNERATION**

The Managing Director, 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 0.1 percent of the increase in the dividend approved by the Annual General Meeting and the fulfilment of targets in their respective areas of responsibility. The maximum bonus per person

and year has been set at SEK 0.3 m net after tax. Net after tax means that income tax and social fees are not included in the calculation. In the case of the Head of Sales, the bonus is based on 0.2 percent of the dividend increase, with a maximum of SEK 0.6 m net after tax. For the Managing Director, the bonus is 0.3 percent of the dividend increase up to a maximum of SEK 0.9 m net after tax.

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 Managing Director and the Chairman of the Board, receive one-off payments up to a maximum of 30 percent of their fixed yearly salary.

#### **MISCELLANEOUS**

The Board of Directors may deviate from these guidelines in individual cases where there is a particular reason for doing so.

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#### **Information at the AGM**

Shareholders are entitled to certain information at the AGM. The Board of Directors and the Managing Director 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: [hm28april@hm.com](mailto:hm28april@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.

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The Annual Report for 2010 will be published at [www.hm.com](http://www.hm.com) on 24 March 2011. 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 auditors' report, auditors' statement, the Board's reasoned statement concerning payment of dividend and the new articles of association proposed by the Board.

Stockholm, March 2011  
*The Board of Directors*

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#### **Contacts:**

Kristina Stenvinkel, Head of Communications +46 (0)8-796 3908, +46 (0)70-796 5440  
Nils Vinge, Head of Investor Relations +46 (0)8-796 5250, +46 (0)70-796 5250  
Jan Andersson, Member of the Election Committee +46 (0) 76-139 5500

Press images and background information for editorial use can be downloaded from [www.hm.com](http://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 22 March 2011.

The notice of the Annual General Meeting will be published on 22 March on the company's website [www.hm.com/arsstamma](http://www.hm.com/arsstamma) and on 24 March 2011 in the newspapers DN and SvD, as well as in Post- och Inrikes Tidningar on the website of Bolagsverket, the Swedish Companies Registration Office.

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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 and Cheap Monday as well as H&M Home. Today the H&M Group has more than 2,200 stores in 38 markets including franchise markets. In 2010, sales including VAT were SEK 126,966 million and the number of employees was just over 87,000. For further information, visit [www.hm.com](http://www.hm.com).