

## PRESS RELEASE

26 March 2012



## NOTICE OF H&M's ANNUAL GENERAL MEETING 2012

Shareholders of H & M Hennes & Mauritz AB (publ) are hereby invited to the Annual General Meeting (AGM) on Thursday 3 May 2012 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 Thursday 26 April 2012

*and* notify their intention to attend the Annual General Meeting by Thursday 26 April 2012, 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 in their own name. Such re-registration must be complete by Thursday 26 April 2012. 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 27 April onwards and should be received by shareholders by Monday 30 April at latest.

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 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**

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

Proposed by the Election Committee: the lawyer Eva Hägg 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 475,000; 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 5,025,000.

The proposed total Board fees represent an increase of SEK 175,000 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 all current Board members: Mia Brunell Livfors, Anders Dahlvig, Lottie Knutson, Sussi Kvant, 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 2012 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 2013 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 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 29 February 2012.*

#### **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 8 May 2012 as the record date. If the resolution is passed, dividends are expected to be paid out by Euroclear Sweden AB on Friday 11 May 2012.

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

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

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 30 countries (not including franchise countries) 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, the 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 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 amount in total to 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 Managing Director's employment contract, the Managing Director will also receive severance pay of an extra 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 a certain percentage of the increase in the dividend approved by the Annual General Meeting and the fulfilment of targets in their respective areas of responsibility.

For the Managing Director, the bonus is based on 0.3 percent of the dividend increase up to a maximum of SEK 0.9 m net after tax. 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 other individuals, the bonus is 0.1 percent of the dividend increase, with a maximum of 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 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: [hm3may@hm.com](mailto: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.

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The Annual Report for 2011 will be published at [www.hm.com](http://www.hm.com) on 29 March 2012. 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 and the Board's reasoned statement concerning payment of dividend.

Stockholm, March 2012  
*The Board of Directors*

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### **Contacts:**

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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 26 March 2012.

The notice of the Annual General Meeting will be published on 26 March on the company's website [www.hm.com/arsstamma](http://www.hm.com/arsstamma) and on 28 March 2012 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 around 2,500 stores in 44 markets including franchise markets. In 2011, sales including VAT were SEK 128,810 million and the number of employees was just over 94,000. For further information, visit [www.hm.com](http://www.hm.com).