

# NOTICE OF H&M's ANNUAL GENERAL MEETING 2009

Shareholders of H & M Hennes & Mauritz AB (publ) are hereby invited to the Annual General Meeting (AGM) on Monday 4 May at 3 p.m., at the Stockholmsmässan (Victorihallen), Älvsjö, 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 27 April 2009,

**both** notify their intention to attend the Annual General Meeting by Monday 27 April 2009, preferably before 12 noon, in writing to the address H & M Hennes & Mauritz AB, Carola Echarti-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 and time.

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 Monday 27 April 2009. 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 Rolf Eriksen 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 the consolidated auditor's 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. Election of auditors.
14. Establishment of principles for the Election Committee and election of members of the Election Committee.
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, Tomas Nicolin (Alecta), Jan Andersson (Swedbank Robur Fonder) and Peter Lindell (AMF Pension).

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 seven Board members with no deputies (previous year nine Board members and no deputies).

**Item 11** – The Election Committee proposes that the Board fees for each member elected by the general meeting remain unchanged: Chairman of the Board SEK 1,350,000; members SEK 375,000; members of the Auditing Committee an extra SEK 75,000; and the chairman of the Auditing Committee an extra SEK 125,000.

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 3,875,000. The proposed total Board fees represent a reduction of SEK 375,000 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, Lottie Knutson, Sussi Kvarn, 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.

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

### ELECTION OF AUDITORS, item 13

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. Ernst & Young AB has notified that if the AGM approves the proposal, the authorized public accountant Erik Åström will be the auditor-in-charge.

### ESTABLISHMENT OF PRINCIPLES FOR THE ELECTION COMMITTEE AND ELECTION OF MEMBERS OF THE ELECTION COMMITTEE, item 14

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 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, 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.*

## Resolutions proposed by the Board

### DIVIDEND AND RECORD DATE, item 9 b

The Board has proposed a dividend to the shareholders of SEK 15.50 per share. The Board of Directors has proposed Thursday 7 May 2009 as the record date. If the resolution is passed, dividends are expected to be paid out by Euroclear Sweden AB (formerly VPC AB) on Tuesday 12 May 2009.

### PROPOSED RESOLUTION ON GUIDELINES FOR REMUNERATION OF 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.

Compensation for senior executives is based on factors such as work tasks, expertise, position, experience and performance. Senior executives are compensated at competitive market rates. H&M is present in more than 30 countries and levels of compensation may therefore vary from country to country. Senior executives receive a regular basic salary, pension benefits and other benefits such as car benefits. The largest portion of the remuneration consists of the fixed salary. For 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 covered in part 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 benefits etc. for Managing Director Rolf Eriksen

The retirement age for Managing Director Rolf Eriksen is 65. He will reach this age in autumn 2009. During the first three years of his retirement, Rolf Eriksen will receive a pension equivalent to 65 percent of his fixed salary followed by a lifetime pension equivalent to 50 percent of the same salary.

### Variable remuneration

The Managing Director Rolf Eriksen, 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 Rolf Eriksen, 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. The future Managing Director may be covered by the bonus scheme according to the principles and within the parameters outlined above.

In individual cases other members of executive management, key individuals and country managers may, at the discretion of the Board and the Managing Director, 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 particular reason for doing so.

The Board's proposed guidelines for the 2009 Annual General Meeting differ somewhat from the guidelines adopted by the 2008 Annual General Meeting.

### Number of shares and votes

The total number of shares in H&M is 827,536,000. The total number of votes is 1,702,336,000.

The Annual Report for 2008 was published at [www.hm.com](http://www.hm.com) on 23 March 2009. It will be available from and including week 13 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 2009  
The Board of Directors

