

H & M Hennes & Mauritz AB (publ) – Annual General Meeting 2021

Item 8b of the proposed agenda for the annual general meeting on 6 May 2021.

Resolution on disposal of the company's earnings in accordance with the adopted balance sheet.

The board's proposal for the dividend

The board of directors proposes to the 2021 annual general meeting that no dividend is paid and that earnings at the disposal of the meeting are carried forward.

At the disposal of the annual general meeting (SEK): 19,577,342,359

The board of directors proposes that:

the shareholders are paid a dividend of SEK 0.00 per share	SEK	0
<u>to be carried forward as retained earnings</u>	<u>SEK</u>	<u>19,577,342,359</u>
Total	SEK	19,577,342,359

Dividend comment

The board aims for the H&M group to have sustainable and profitable growth, thereby allowing a good return to the shareholders. The company's financial position remains strong and the board's assessment is that there will be good prospects of a cash dividend in autumn 2021. However, since it is not currently possible to get a full overview of the consequences of the ongoing pandemic, and since the company received government assistance in the first quarter of 2021, the board is currently proposing to the annual general meeting that no dividend be paid. The board will come back later in the year with a proposed date and level for resuming the dividend.

Dividend policy

The board of directors' intention is for the H&M group to continue to provide shareholders with a good return while ensuring that growth and investments in the business can proceed with a continued strong financial profile and freedom of action. In view of this, the board has established a dividend policy stating that the ordinary dividend over time should exceed 50 percent of profit after tax and additionally that identified surplus liquidity – taking into consideration the capital structure target and investment requirements – can be distributed to shareholders through an extra dividend or a buyback programme.

Stockholm, March 2021

The Board of Directors of H & M Hennes & Mauritz AB (publ)