

## Account of the work of the H&M group's nomination committee ahead of the 2022 annual general meeting

According to previously applied principles for the nomination committee that were adopted at the 2021 annual general meeting, the H&M group has a nomination committee made up of the chair of the board plus four other members nominated by the largest owners measured by voting power that wished to participate in the work of the nomination committee.

At present the nomination committee consists of:

Stefan Persson (Ramsbury Invest AB)

Lottie Tham

Jan Andersson (Swedbank Robur fonder)

Erik Durhan (Nordea fonder)

Karl-Johan Persson, chair of the board

Stefan Persson chairs the nomination committee. The members of the nomination committee represent around 80 percent of the votes in H & M Hennes & Mauritz AB as at 28 February 2022. The above nomination committee shall continue to exist until a new nomination committee is appointed.

### Work of the nomination committee

As a basis for its work ahead of the 2022 annual general meeting the nomination committee studied the report by the chair of the board on the work of the board of directors and also met with CEO Helena Helmersson. The nomination committee has also interviewed all of the board members elected by the general meeting. The nomination committee's conclusion is that the board has continued to function well, with great commitment shown by the individual members.

### Resolutions proposed by the nomination committee

The nomination committee is proposing the following resolutions to the 2022 AGM:

- Lawyer Sven Unger as chair of the meeting.
- It is proposed that Jan Andersson (Swedbank Robur fonder) and Erik Durhan (Nordea fonder) check the minutes of the meeting.
- The nomination committee proposes eight board members with no deputies. The nomination committee proposes that one auditor be elected.
- Re-election of all board members: Stina Bergfors, Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Karl-Johan Persson, Christian Sievert, Erica Wiking Häger and Niklas Zennström.

Chair of the board: re-election of Karl-Johan Persson.

See [hmgroup.com](https://www.hmgroup.com) for more information on the proposed board members.

- Election of auditor. The nomination committee proposes, in accordance with the recommendation by the auditing committee, that registered accounting firm Deloitte AB be elected as auditor of the company until the conclusion of the 2023 annual general meeting. Deloitte AB has notified that if the AGM approves the proposal, authorised public accountant Didrik Roos will be the auditor-in-charge.
- The nomination committee proposes that the board fees for each member elected by the general meeting are distributed as follows: chair of the board SEK 1,800,000; members SEK 775,000. It is proposed that the fees for work in the auditing committee are SEK 280,000 for the chair and SEK 200,000 for each of the other members.

If the meeting approves the nomination committee's proposal for the composition of the board, and if the number of members of the auditing committee is unchanged, the total fees will be SEK 7,905,000 compared with the previous year's fees of SEK 6,825,000. Among other things, the increase in board fees is to be seen in light of the fact that the fees have been unchanged since 2019.

- It is proposed that the auditor's fees be paid based on approved invoices.
- Proposed resolution on composition of and instructions for the nomination committee. See Annex 1.

### **The nomination committee's reasoned statement**

As the pandemic and other external factors remained challenging during the year, the board has had considerably more meetings than normal. All the members attended all the board meetings and showed great commitment, both at and between the meetings. In the nomination committee's judgment, the current board works well together as a team. In view of this, the nomination committee has chosen to prioritise continuity in the board's work and has decided not to propose any changes to the composition of the board.

The nomination committee applies section 4.1 of the Swedish Corporate Governance Code as a diversity policy and judges that the proposed board of directors meets the requirements set out in this section well. In the nomination committee's opinion, the proposed board is characterised by diversity and breadth of qualifications, experience and background and by gender balance.

The nomination committee has continued to stress the importance of gender balance, which H&M's board has had for many years. Of the members proposed for election by the general meeting, four are women and four are men. The board thus achieves with a margin the ambition communicated by the Swedish Corporate Governance Board of a 40 percent presence of the underrepresented gender on the boards of listed companies.

The nomination committee has also discussed the board members' independence and assessed that the proposed board composition satisfies the requirements that apply in respect of the members' independence, stock market experience, and accounting and auditing expertise.

Stockholm, March 2022

The Nomination Committee of H & M Hennes & Mauritz AB (publ)

## **Annex 1**

### **Proposed resolution on composition of and instructions for the nomination committee:**

The nomination committee proposes that the 2022 annual general meeting of shareholders in H&M passes the following resolution, to be effective until a general meeting of shareholders resolves otherwise.

#### **A. COMPOSITION OF NOMINATION COMMITTEE**

1. The nomination committee is to consist of the chair of the board and four other members.

The four other members are to be appointed as follows: each of the four largest shareholders measured by voting power, according to the register of shareholders kept by Euroclear Sweden AB as at the last banking day in August each year, appoints a member. Determination of which are the four largest owners measured by voting power is to be based on shareholder statistics that are sorted by voting rights (in ownership groups) and include the 25 largest registered shareholders in Sweden, i.e. shareholders holding an account with Euroclear Sweden AB in their own name or shareholders holding a custody account with a manager that has given the name of the shareholder to Euroclear Sweden AB.

2. Unless the members of the nomination committee agree otherwise, the chair of the nomination committee is to be the member appointed by the largest owner measured by voting power. The chair of the committee will have the casting vote in the event that the votes are equal.

3. If any of the four largest shareholders measured by voting power declines to take part in the nomination committee, or can otherwise be assumed to have declined such a right, the next largest shareholder (measured by voting power) is to be given opportunity to appoint a member.

4. If a shareholder that nominated a member of the nomination committee notifies the nomination committee that this shareholder wishes the person it appointed to be no longer be a member of the nomination committee (e.g. because the person concerned is no longer employed), the person concerned will no longer be a member of the nomination committee.

5. If a shareholder has appointed a member of the nomination committee but at a time no less than four months before the annual general meeting is no longer one of the four largest shareholders measured by voting power, the nomination committee can decide that the member appointed by this shareholder will no longer be a member of the nomination committee.

6. If a member leaves the nomination committee before its work is completed, a replacement is to be appointed if the nomination committee considers this appropriate (taking into consideration, for example, how much of the nomination committee's work remains to be done). Such replacement member is to be appointed by the same shareholder as appointed the departing member or, if this shareholder is no longer one of the four largest shareholders measured by voting power, by the next largest shareholder.

7. H&M is to provide information on the company's website concerning the composition of the nomination committee at least six months before each annual general meeting. The company is also to provide information there concerning changes in the composition of the nomination committee.

8. The terms owner and shareholder in expressions such as "the four largest owners measured by voting power" or "the next largest shareholder" refers to shareholders as recorded in the shareholder statistics stated in 1 above.

#### **B. INSTRUCTIONS FOR THE NOMINATION COMMITTEE**

1. As soon as possible after the last banking day in August each year, the chair of the board is to convene the nomination committee's first meeting and, as part of the nomination committee's work, is also to report to the nomination committee the circumstances relating to the board's work and need for special expertise etc. that may be of significance for the nomination committee's work.

2. No fees are to be paid to the members of the nomination committee. The nomination committee may charge to the company any reasonable costs for travel and investigations.

3. The nomination committee is to submit proposals to each annual general meeting for the following:

a) election of a chair for the meeting;

- b) resolution on the number of board members;
- c) resolution on board fees for the chair 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 chair of the board;
- f) resolution on the number of auditors;
- g) resolution on fees to the auditor(s);
- h) election of auditor(s).

4. All information that the members of the nomination committee receive within the context of their position on the committee or otherwise receive from the company is to be kept strictly confidential and must not be disclosed to third parties until the information has been made public. The nomination committee's proposals, reports and statements are to be communicated to the company in reasonable time to ensure compliance with the Swedish Corporate Governance Code.