

# H&M GROUP

## PRESS RELEASE

26 MARCH 2026

### Notice of annual general meeting

Shareholders in H & M Hennes & Mauritz AB (publ) (556042-7220) are hereby invited to the annual general meeting (AGM) to be held at 15.00 CEST on Tuesday, 5 May 2026 in the Erling Persson Hall, Aula Medica, Karolinska Institutet, Nobels väg 6 in Solna. Check-in for the AGM will open at 14.00 CEST.

Karolinska Institutet has stated that bags will not be allowed to be taken into the meeting hall, with the exception of small handbags. Please bring ID. Lithium-ion batteries must not be brought into any of Aula Medica's premises, which includes both loose lithium-ion batteries and objects containing lithium-ion batteries (such as bicycles, electric scooters, hoverboards or similar).

The board of directors has decided to allow shareholders to exercise their voting rights by post prior to the general meeting in accordance with the company's articles of association.

#### Right to participate and notification of attendance

##### Participation at the meeting venue

Shareholders who wish to attend the AGM at the meeting venue in person or by proxy must:

both be entered in the company's register of shareholders kept by Euroclear Sweden AB in their own name, as recorded on Friday, 24 April 2026,  
and notify their intention to attend the annual general meeting no later than Tuesday, 28 April 2026, either in writing to the address H & M Hennes & Mauritz AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm (mark the envelope "AGM 2026") or by telephone to +46 (0)8 402 9048 between 09.00 – 16.00 CEST Monday to Friday, stating that it concerns notice of attendance at the AGM, by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com) or on the company's website at [hmgroup.com/agm](http://hmgroup.com/agm).  
The attendance of any assistants (maximum two) is to be notified to the same addresses etc. by the same date.

Shareholders must state in the notification their name, personal identity number or corporate identity number and their telephone number (daytime), as well as the number of shares held and number of assistants attending, if any. Confirmation by text message from the sender "H&M" will be sent out starting from 30 April 2026 (this replaces passes for the meeting).

##### Participation via postal voting

Shareholders who wish to participate in the AGM through postal voting must:

both be entered in the company's register of shareholders kept by Euroclear Sweden AB in their own name, as recorded on Friday, 24 April 2026,  
and register their participation no later than Tuesday, 28 April 2026 by submitting a completed and signed postal voting form by post to H & M Hennes & Mauritz AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm (mark the envelope "AGM 2026") or by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com), so that the postal vote is received by Euroclear Sweden AB no later than that day. Shareholders may also cast their postal votes electronically, using BankID verification, on Euroclear Sweden AB's website <https://www.euroclear.com/sweden/generalmeetings/>. Such electronic votes must be cast no later than 28 April 2026.

A special form is to be used for postal voting. The form is available on the company's website at [hmgroup.com/agm](http://hmgroup.com/agm). Shareholders that are participating only through postal voting are not required to register for the meeting separately.

Shareholders who wish to attend the meeting at the venue, either in person or by proxy, must notify this in accordance with the instructions given above under the heading Right to participate and notification of attendance – Participation at the meeting venue. This means that notification solely via postal voting is not sufficient for those who wish to participate in the meeting at the venue.

A proxy form must be enclosed with the postal voting form if the shareholder is voting via a proxy. A proxy form will be provided by the company on request and is also available on the company's website at [hmgroup.com/agm](http://hmgroup.com/agm). If the shareholder is a legal entity, the form must also be accompanied by a registration certificate or other authorisation document indicating the authorised signatory.

Shareholders must not add any special instructions or conditions to their postal votes. If they do, the postal votes (i.e. the postal voting in its entirety) will be invalid. Further instructions and conditions can be found in the postal voting form and at <https://www.euroclear.com/sweden/generalmeetings/>.

### **Nominee-registered shares**

Shareholders whose shares are registered in the name of a nominee must have their shares re-registered in their own name in order to be entitled to participate in the AGM. Such registration may be temporary (known as voting right registration). Voting right registration that has been completed by 28 April 2026 will be taken into account when preparing the register of shareholders.

### **Proxies**

As usual, it will be possible to be represented at the meeting by a proxy. Proxy forms are available on the company's website at [hmgroup.com/agm](http://hmgroup.com/agm).

### **Information at the AGM**

H&M is aware that many shareholders would like to ask questions about the company, and H&M welcomes such questions and encourages those who wish to raise general questions about the company to contact H&M; see contact details below.

Shareholders are entitled to certain information at the AGM. The board of directors and the CEO 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 on circumstances that may affect the assessment of an item on the agenda, on circumstances that may affect the assessment of the financial situation of the company or its subsidiaries, and on the company's relations with another company within the group.

Anyone wishing to submit questions in advance may do so as follows:

by post:

H & M Hennes & Mauritz AB  
c/o Euroclear Sweden AB,  
Box 191, 101 23 Stockholm (mark the envelope "Questions AGM 2026")

or

by email:

[Hm5may@hm.com](mailto:Hm5may@hm.com)

### **Privacy policy for processing of personal data in conjunction with general meeting**

For information on how your personal data is processed, see:

<https://euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

If you have any questions regarding our personal data processing, you can contact us by email at [dataprotection.se@hm.com](mailto:dataprotection.se@hm.com). H & M Hennes & Mauritz AB (publ) has corporate identity number 556042-7220 and the board of directors is domiciled in Stockholm.

## Proposed agenda

1. Opening of the AGM.
2. Election of a chair for the AGM.
3. Establishment and approval of voting list.
4. Approval of the agenda.
5. Election of people to check the minutes.
6. Examination of whether the meeting was duly convened.
7. Presentation of the annual and sustainability report and the auditor's report, the consolidated accounts and consolidated auditor's report, the auditor's limited assurance report on the sustainability statement, as well as the auditor's statement on whether the guidelines for remuneration of senior executives applicable since the last AGM have been followed.
8. Comments by auditor, chair of the board and CEO, and questions from shareholders to the company's board and management.
9. Resolutions
  - a. Adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet.
  - b. Distribution of the company's earnings in accordance with the adopted balance sheet, and record date.
  - c. Discharge of the members of the board and CEO from liability to the company.
10. Establishment of the number of board members and auditors.
11. Establishment of fees to the board and auditors.
12. Election of board members and chair of the board.

The nomination committee proposes:

  - 12.1 Klas Balkow
  - 12.2 Anders Dahlvig
  - 12.3 Danica Kragic Jensfelt
  - 12.4 Lena Patriksson Keller
  - 12.5 Karl-Johan Persson
  - 12.6 Helena Saxon
  - 12.7 Christian Sievert
  - 12.8 Christina Synnergren
  - 12.9 Chair of the board: Karl-Johan Persson
13. Election of auditor.
14. Resolution on composition of and instructions for the nomination committee.
15. Presentation of the board's remuneration report for approval.
16. Resolution to reduce the share capital through the cancellation of treasury shares and to increase the share capital through a bonus issue.
17. Resolution authorising the board to make decisions concerning purchase of own shares.
18. Resolution on guidelines for remuneration of senior executives.
19. Resolution on the adoption of a long-term incentive programme in the form of performance share awards for employees in the H&M group in accordance with item 19(a) and associated hedging measures in accordance with item 19(b) or item 19(c).
20. Shareholder proposal from People for the Ethical Treatment of Animals (PETA) that H&M recommits to the company's 2018 policy prohibiting the use of mohair.
21. Closing of the AGM.

### **Nomination committee**

The current nomination committee comprises Karl-Johan Persson, chair of the board; Stefan Persson (Ramsbury Invest), chair of the nomination committee; Lottie Tham; Karin Eliasson (Handelsbankens Fonder); and Anders Hansson (AMF Tjänstepension & AMF Fonder).

## **Resolutions proposed by the nomination committee**

**Item 2** – The nomination committee proposes that lawyer Andreas Steen be elected as chair of the meeting.

**Item 10** – The nomination committee proposes eight board members with no deputies. The nomination committee proposes that one auditor be elected.

**Item 11** – 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 2,050,000 and members SEK 900,000. It is proposed that the fees for work in the audit committee are SEK 350,000 for the chair and SEK 230,000 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 audit committee remains as previously, the total fees will be SEK 9,160,000 compared with SEK 8,680,000, which is an increase of just over 5 percent.

It is proposed that the auditor's fees be paid based on approved invoices.

**Item 12** – The nomination committee proposes the following board of directors:  
Re-election of all current board members: Klas Balkow, Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Karl-Johan Persson, Helena Saxon, Christian Sievert, Christina Synnergren.

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

More information on the proposed board members can be found at [hmgroup.com](http://hmgroup.com).

**Item 13** – The nomination committee proposes, in accordance with the recommendation by the audit committee, that registered accounting firm Deloitte AB be elected as auditor of the company until the conclusion of the 2027 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.

**Item 14** – The nomination committee proposes that the 2026 annual general meeting of shareholders in H&M resolves on the composition of and instructions for the nomination committee as set out in the following, which includes certain editorial clarifications and an addition that other reliable shareholder information provided to the company may be taken into account in the appointment of the members of the nomination committee, 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 as at the last banking day in August each year, according to the register of shareholders kept by Euroclear Sweden AB and other reliable shareholder information provided to the company as at that date, appoints a member. Determination of which are the four largest owners measured by voting power is, as regards the shareholder statistics from Euroclear Sweden AB, 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, as a result of item 4 or item 5 or for another reason, 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" refer 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. The nomination committee shall serve until a new nomination committee is appointed.
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.

### **Resolutions proposed by the board**

#### **VOTING LIST, item 3**

The voting list proposed for approval is the voting list established by Euroclear Sweden AB on behalf of the company, based on the register of shareholders for general meetings, shareholders who have notified their attendance at the meeting venue and postal votes received.

#### **DIVIDEND AND RECORD DATE, item 9(b)**

The board proposes that the 2026 annual general meeting approves a dividend to the shareholders of SEK 7.10 per share. The board proposes that the dividend is paid in two instalments during the year, one in May and one in November. The proposed record date for the first dividend payment of SEK 3.55 per share is 7 May 2026. If the resolution is passed by the annual general meeting, the first dividend payment is expected to be made by Euroclear Sweden AB on 12 May 2026. The proposed record date for the second dividend payment of SEK 3.55 per share is 5 November 2026. If the resolution is passed by the annual general meeting, the second dividend payment is expected to be made by Euroclear Sweden AB on 10 November 2026.

#### **PROPOSAL BY THE BOARD THAT THE MEETING RESOLVE TO REDUCE THE SHARE CAPITAL THROUGH THE CANCELLATION OF TREASURY SHARES AND TO INCREASE THE SHARE CAPITAL THROUGH A BONUS ISSUE, item 16**

The board proposes that the annual general meeting resolves to decrease the share capital, for allocation to non-restricted equity, by cancelling the 5,618,372 series B treasury shares repurchased as part of H&M's buyback programme, through which the share capital decreases by SEK 724,435.974515.

To restore the share capital following the decrease in the share capital, the board proposes that the annual general meeting at the same time resolves to increase the share capital by SEK 724,435.974515 through a bonus issue without issuing new shares, whereby the decrease amount is to be transferred from non-restricted equity.

Statement pursuant to Chapter 20 § 13 of the Swedish Companies Act: The effect of the board's proposal to decrease the share capital is that the share capital and restricted equity decrease by SEK 724,435.974515. The effect of the board's proposal to increase the share capital through a bonus issue is that the share capital and restricted equity increase by SEK 724,435.974515. Overall, therefore, there is no decrease in the share capital or restricted equity.

#### **RESOLUTION AUTHORISING THE BOARD TO MAKE DECISIONS CONCERNING PURCHASE OF OWN SHARES, item 17**

As part of creating further flexibility with regard to the group's capital structure, and to enable purchases of shares to be used within the framework of the company's share incentive programme, the board proposes that the annual general meeting resolve to authorise the board of directors to decide on purchases of the company's own series B shares as follows: The board is authorised to make purchases of the company's series B shares on as many occasions as it deems appropriate in the period up to and including the 2027 annual general meeting; the number of shares purchased must at no time result in the company's holding exceeding 10 percent of all the shares in the company. The purchases are to be made on Nasdaq Stockholm and may not be made at a higher price than the higher of the price of the most recent independent trade and the highest current independent bid on Nasdaq Stockholm, nor at a lower price than the lowest price at which an independent purchase may be made. The purpose of the authorisation is to enable the board to adjust the company's capital structure and to enable purchases

of shares to be used within the framework of the company's share incentive programme. Among other things, the authorisation will be one of the tools that the board can choose to use if surplus liquidity is identified.

### **THE BOARD OF DIRECTORS' PROPOSED RESOLUTION ON GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES, item 18**

The remuneration guidelines cover remuneration to the CEO and other senior executives (the group management) as well as remuneration to board members aside from board fees.

The guidelines shall apply to agreed remuneration, and to changes made to already agreed remuneration, after the guidelines was adopted by the annual general meeting 2026.

#### **How the guidelines contribute to the company's business plan, long-term interests and sustainability**

The H&M group's business plan aims to deliver long-term, sustainable and profitable growth. The business plan is illustrated by a number of objectives to which the company's sustainability efforts and digital transformation contribute. For more information about the company's business plan, business idea and objectives, refer to [www.hmgroup.com](http://www.hmgroup.com).

To work successfully according to the company's business plan and safeguard the company's long-term interests the company needs to be able to recruit, motivate and retain talented, committed employees. The board of directors considers it important that senior executives are paid competitive remuneration at a market level, as regards both fixed and variable compensation, based on responsibilities and performance. These guidelines enable the company to offer this to its senior executives.

#### **Types of remuneration etc.**

Senior executives shall be compensated at what are considered by the company to be competitive market rates, including in relation to industry comparisons. Levels of compensation shall also reflect the individual's competence, experience and performance. The total remuneration may consist of fixed base cash salary, short-term variable remuneration, pension benefits and other benefits.

The general meeting may also decide upon, for example, long-term variable remuneration in the form of share and share price related programmes. Remuneration decided by the general meeting is not covered by these guidelines.

#### **Fixed base cash salary**

Senior executives shall have a fixed base cash salary that is at a market level based on each position's significance for the company as a whole. The fixed base cash salary shall reflect the individual's area of responsibility, competencies and experience and requires the individual to work in a committed manner at a high professional level.

#### **Short-term variable remuneration**

Short-term variable remuneration shall be determined annually by the board of directors and shall aim to promote the H&M group's development in both the short and the long term.

Fulfilment of short-term variable remuneration targets shall be measured over a period of one year. The targets shall be based mainly on financial results, such as total sales and total operating profit. Financial performance may be the performance of the group or the business area for which the executive is responsible. Objectives may also be linked to non-financial measures, such as strategic, operational or individual targets to meet the various areas of the business plan, including sustainability, leadership and adherence to values. Each year the board of directors will set target levels for each of the performance parameters for the coming year. There shall always be a threshold for the achievement of the total operating profit, with the implication that if this threshold is not reached, no short-term variable remuneration will be paid regardless of the achievement of other targets.

The board of directors is responsible for this assessment in the case of short-term variable remuneration to the CEO. Regarding the assessment of short-term variable remuneration to other senior executives, the chair of the board is responsible in consultation with the CEO.

The short-term variable remuneration, which at individual level shall be based on the importance of the person's duties and position in terms of influencing the overall performance of the group, may vary but shall not exceed 80 percent of the fixed base cash salary.

### **Extraordinary arrangements**

In specific cases, the company may offer one-time compensation, provided that such compensation is only given on an individual basis for the purpose of recruiting or retaining senior executives and does not exceed an amount equivalent to 100 percent of the individual's annual fixed base cash salary, and is not paid more than once per year per individual. Decisions on such remuneration shall be taken by the board of directors.

### **Pension benefits**

In the case of the CEO, pension benefits are to be on a defined contribution basis. Variable cash remuneration shall not be pensionable, unless otherwise provided by law or mandatory provisions of collective bargaining agreements. The pension premiums for the year may not exceed 30 percent of the CEO's annual fixed base cash salary. In addition to pension benefits, the CEO may be covered by insurance benefits in accordance with local market practice, such as survivor's pension, sickness insurance, etc.

In the case of other senior executives, pension benefits are to be on a defined contribution basis, unless the executive is covered by a defined benefit pension plan under the mandatory provisions of collective bargaining agreements. The pension premiums for the year may not exceed 40 percent of the senior executive's annual fixed base cash salary. In addition to pension benefits, other senior executives may be covered by insurance benefits in accordance with local market practice, such as survivor's pension, sickness insurance, etc.

The retirement age shall be in line with market practice and the applicable pension plan for each executive.

### **Other benefits**

Senior executives may receive other benefits such as wellness subsidies, car allowances and medical insurance. The total annual costs associated with other benefits may not exceed 20 percent of the individual's annual fixed base cash salary.

For members of the group management stationed in a country other than their home country, additional remuneration and other benefits may be paid considering the specific circumstances of such expatriation in accordance with local practice and the group's *International Assignments Policy*.

### **Termination of employment**

Upon termination of employment, the notice period may not exceed twelve months for the CEO and other senior executives.

If the company terminate the CEO or another senior executive's employment, the fixed cash base salary during the notice period and severance pay together may not exceed an amount corresponding to the individual's fixed cash base salary for two years. Severance pay shall not constitute a basis for vacation pay, pension or other benefits unless otherwise provided by law or mandatory collective bargaining agreements.

### **Salary and employment terms for other employees of the company**

When preparing the board of directors' proposed guidelines for remuneration to senior executives consideration was given to the salary and employment terms of the company's other employees by using information concerning the employees' total remuneration, the components of the remuneration

and the increase in and rate of increase in the remuneration over time as part of the basis on which the board of directors assessed whether the guidelines, and the resulting limitations, are reasonable.

### **Consultancy fees**

If a board member performs work for the company (including through a wholly owned company) in addition to their board work, a separate fee may be paid for this (consultancy fee). Such fee shall not exceed the board fee paid to the member concerned. The fee is to be based on the current market rate and be proportionate to the benefit for the company and the extent to which such work contributes to the good financial and sustainable development of the H&M group.

### **Decision process for establishment, review and implementation of the guidelines**

The company has no remuneration committee, since the board of directors deems it more appropriate for the entire board of directors to carry out the tasks of a remuneration committee. The board of directors prepares proposed guidelines for remuneration to senior executives, and these proposals are presented at the annual general meetings. The board of directors is to prepare a proposal for new guidelines at least every four years and submit the proposal for decision by the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting. The board of directors shall also monitor and evaluate programmes for variable remuneration to the company's management and the application of the guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the company. The board of directors shall further decide on the CEO's salary in accordance with the guidelines in effect and shall continually evaluate the work of the CEO. Once a year this matter is to be discussed separately in conjunction with the setting of the CEO's remuneration for the coming year. For other senior executives, the CEO is responsible for proposing remuneration, which is then approved by the chairman of the board. To avoid conflicts of interest, no member of the company's management is to be present when the board of directors discusses remuneration matters, with the exception of the presence of the CEO when discussing the remuneration of other senior executives, which should be done in accordance with these guidelines.

### **Deviations from the guidelines**

The board of directors may decide to temporarily deviate from the guidelines adopted by the annual general meeting, in full or in part, if there is particular reason to do so in an individual case and this is necessary in order to provide for the company's long-term interests, including its sustainability, or to ensure the financial viability of the company. As stated above, the board of directors' duties include preparing decisions on remuneration issues, including decisions on deviations from the guidelines.

### **Other**

H&M has established share-based incentive programmes for long-term variable remuneration, addressed to the CEO, the group management and other key executives within the H&M group. The programmes aim to create conditions that attract, motivate, and retain competent employees within the H&M group, as well as to strengthen the common interests between the employees, shareholders, and the company's objectives, and to increase motivation to achieve and exceed the company's financial and non-financial goals. H&M also has a profit-sharing programme, the H&M Incentive Program, which is for all employees of the H&M group. The programmes have been adopted by the annual general meeting and are therefore not covered by these guidelines.

Regarding employment terms falling under rules other than Swedish rules, in the case of pension benefits and other benefits the guidelines are to be adapted as appropriate to comply with any such rules or established local practice, while fulfilling the general aim of the guidelines as far as possible.

### **Description of significant changes to the guidelines and how the shareholders' views have been taken into account**

The proposed changes to the guidelines involve, in addition to linguistic clarifications and adjustments, updates regarding the maximum notice period for other senior executives, compensation during notice period and severance pay, as well as regarding pensions, all in order to create greater flexibility in the event of changes within H&M, to promote H&M's long-term interests. No material comments have been received from shareholders regarding the guidelines adopted by the annual general meeting 2025.

## **THE BOARD OF DIRECTORS' PROPOSAL FOR THE ADOPTION OF A LONG-TERM INCENTIVE PROGRAMME IN THE FORM OF PERFORMANCE SHARE AWARDS FOR EMPLOYEES IN THE H&M GROUP, item 19**

The board of directors proposes that the annual general meeting resolves to adopt a long-term incentive programme in the form of performance share awards for the CEO, the group management and other senior key employees in the H&M group (“**LTIP 2026**”). The resolution to adopt LTIP 2026 in accordance with item 19(a) shall be conditional upon the general meeting resolving on hedging measures in accordance with item 19(b) or, if the required majority for a resolution under item 19(b) cannot be achieved, in accordance with item 19(c) below.

### **Proposal for a resolution on the adoption of LTIP 2026 (item 19(a))**

#### Background and motives for the proposal

The purpose of LTIP 2026 is to create prerequisites to attract, motivate, and retain competent employees within the H&M group, as well as to align the interests of employees, shareholders, and the company and to promote common interests in achieving and exceeding the company’s financial and non-financial targets.

By offering share awards that are allocated subject to the achievement of targets related to the company’s share price development, operating profit and sustainability efforts, participants are rewarded and incentivised to contribute to increased shareholder value. LTIP 2026 also rewards employees’ continued loyalty, thereby supporting the long-term value growth of H&M. Furthermore, the board of directors believes that LTIP 2026 will have a positive impact on the future development of the H&M group, which will consequently be beneficial for both the company and its shareholders.

The proposed incentive programme has a structure corresponding to that of the programme approved by the annual general meeting 2025.

#### Programme design

LTIP 2026 is proposed to include the CEO, the group management and other senior key employees within the H&M group, comprising a total of approximately 110 participants.

Awards under LTIP 2026 (“**performance share awards**”) will be granted free of charge entitling the participant, to receive a number of B shares in H&M (“**performance shares**”), free of charge, following a three-year vesting period (the “**vesting period**”) provided that, inter alia, certain performance criteria set out below are met Allocation of performance shares pursuant to performance share awards will be subject to the achievement of performance criteria, as set out below, and will generally require that participants retain his or her employment over the vesting period.

#### Allocation of performance share awards

Allocation of performance share awards to participants will take place as soon as practically possible following the annual general meeting 2026 and no later than 31 August 2026.

For LTIP 2026, the value of the underlying shares in respect of the performance share awards allocated to the CEO will amount to 80 percent of the annual fixed base cash salary, for other members of the group management the value will amount to a maximum of 80 percent of the annual fixed base cash salary depending on responsibility and role when the performance share awards are allocated and for other senior key employees, the value will amount to a maximum of 50 percent of the annual fixed base cash salary, depending on responsibility and role when the performance share awards are allocated. In exceptional cases, such as to recruit or retain key competences, performance share awards corresponding to a maximum of 120 percent of the annual fixed base cash salary may be allocated subject to the approval of the board of directors. The allocation of performance share awards will be based on the annual fixed base cash salary for each participant as of 1 January 2026 for current employees of H&M or starting salary for participants employed after 1 January 2026.

The share price used to calculate the number of performance share awards corresponding to the allocation value for each participant shall be the volume-weighted average price (“**VWAP**”) of H&M’s B share on Nasdaq Stockholm during 90 trading days starting on 1 December 2025.

#### Terms and conditions

A performance share award may be exercised, provided that the participant, with certain exceptions, remains employed within the H&M group from the start of LTIP 2026 for the respective participant, up to and including the day that falls three years thereafter (the “**vesting period**”). The last day for allocating performance share awards under LTIP 2026 shall be 31 August 2026.

In addition to the requirement of continued employment within the H&M group, the exercise of performance share awards also requires that participants who are part of H&M’s group management and selected key employees, before 30 November 2026, have invested an amount equivalent to two gross monthly salaries in H&M shares and retain these during the vesting period (the “**investment shares**”). Shares already held by participants may be allocated to LTIP 2026. For participants with investment requirements who have allocated investment shares in accordance with the terms and conditions of LTIP 2025, the investment requirement in LTIP 2026 is met by holding these shares during the vesting period for LTIP 2026. The board of directors may, on a case-by-case basis, decide to grant exceptions to the investment/holding requirement.

Furthermore, the outcome of the performance share awards is subject to the satisfaction of performance criteria related to three-year performance criteria linked to the development of the group’s operating profit<sup>1</sup>, total shareholders return on the H&M share (“**absolute TSR**”<sup>2</sup>) and environmental, social and governance (“**ESG**”<sup>3</sup>), which will determine the extent (if any) to which performance share awards grant participants the right to receive performance shares at the end of the vesting period. Information on the outcome of the performance criteria will be provided no later than in the remuneration report for the financial year 2028.

#### *Performance criterion for the group’s operating profit*

45 percent of the performance share awards allocated to a participant will be conditional on the fulfilment of a performance condition relating to the development of the group’s operating results during the period 1 December 2025 – 30 November 2028 (the “**performance period**”). The performance criterion set by the board of directors for the development of the group’s operating profit during the performance period will stipulate a minimum level and a maximum level. The target for the development of the group’s operating profit during the performance period is not disclosed due to capital market and competition considerations. The board of directors will determine the outcome of the performance share awards related to the performance criterion for the development of the group’s operating profit during the performance period when the audited financial statement for the financial year 2028 is available.

If the maximum performance level set by the board of directors is reached or exceeded, the vesting will amount to (and will not exceed) the maximum level of 100 percent of the performance share awards related to the performance criterion of the group’s operating profit during the performance period. If performance is below the maximum level set by the board of directors but exceeds the minimum level, a linear pro-rata vesting of shares will occur. No vesting for the performance criterion will occur if performance amounts to or is below the minimum level.

#### *Performance criterion related to absolute TSR development*

45 percent of the performance share awards allocated to a participant will be subject to fulfilment of an

---

<sup>1</sup> Operating profit defined as profit calculated based on a constant exchange rate (SEK/local currency) over the performance period, and before interest and taxes.

<sup>2</sup> Absolute Total Shareholder Return, i.e. share price development including dividends.

<sup>3</sup> Environmental, Social, and Governance.

absolute TSR development. The volume-weighted average closing price of H&M shares on Nasdaq Stockholm during the 90-day period from 1 December 2025 and 1 December 2028, respectively, shall be used to measure the start and end point for the annual absolute TSR. The measurement shall include estimated dividends during the period from the start to the end point. If the absolute TSR development during the performance period reaches or exceeds an average annual growth rate of 14 percent, the maximum vesting of 100 percent of the performance share awards related to the absolute TSR will occur. If the absolute TSR development corresponds to an annual growth rate (per annum compounded) of 6 percent or lower, no vesting will occur with respect to the performance share awards related to absolute TSR. If the company's absolute TSR development corresponds to an annual growth rate (per annum compounded) between 6 and 14 percent, the vesting of the performance share awards related to absolute TSR will be determined linearly pro-rata between 0 and 100 percent.

#### *ESG – Reducing greenhouse gas emissions*

10 percent of the performance share awards allocated to a participant will be conditional upon the company reducing its absolute CO<sub>2</sub>e emissions within scope 1 and 2<sup>4</sup> by 56 to 61 percent and scope 3<sup>4</sup> by 43 to 48 percent compared to the 2019 level by 30 November 2028. These targets are part of achieving H&M's communicated climate targets for 2030. If the performance outcome is below the maximum level set by the board of directors but exceeds the minimum level for both scope 1 and 2 as well as scope 3, shares will be allocated on a linear pro rata basis with a weighting of 10 percent for scope 1 and 2 and 90 percent for scope 3. No allocation for the performance criterion will be made if the outcome for both scope 1 and 2 as well as scope 3 is at or below the minimum level.

#### Allocation of shares

Provided that the performance criteria above have been met and that the participant has retained his or her employment and, if applicable, retained allocated investment shares (unless the board of directors has decided otherwise in specific cases) during the vesting period, allocation of vested shares will take place as soon as practicably possible following the expiration of the vesting period.

When determining the final vesting level of performance share awards, the board of directors shall examine whether the vesting level is reasonable considering the company's financial results and position, conditions on the market and other circumstances, such as environmental, social ethics and compliance factors, and if not, as determined by the board of directors, reduce the vesting level to the lower level deemed appropriate by the board of directors.

In the event delivery of shares to participants cannot take place under applicable law, at reasonable cost or with reasonable administrative measures, the board of directors will be entitled to decide that participants may, instead, be offered a cash settlement.

The board of directors shall be responsible for the details of the agreements and conditions with participants, as well as the management of LTIP 2026. The company is entitled to, prior to delivering vested shares to the participant, retain and sell the number of shares required to cover the cost for withholding and paying tax and social security liabilities on behalf of the participants in relation to the performance share awards for remittance to tax authorities. In such case, vested shares will be delivered net to the participants after the vested performance share awards are reduced by the number of shares retained by the company for such purposes.

#### Financing

The board of directors has considered different financing methods for transfer of shares under LTIP 2026, such as transfer of treasury shares and an equity swap agreement with a third party. The board of directors considers that the acquisition and transfer of treasury shares is the most cost efficient and flexible method to transfer shares under LTIP 2026.

---

<sup>4</sup> For definitions refer to the annual and sustainability report.

The board of director's proposal for authorisation to repurchase treasury shares on the stock exchange (item 17 above) therefore includes the possibility to repurchase treasury shares also for the purpose of using the shares within the framework of the company's share incentive programme. The board of directors further proposes that the annual general meeting resolves to transfer treasury shares to participants in LTIP 2026 in accordance with item 19(b).

Since the costs for the company in connection with an equity swap agreement will be significantly higher than the costs in connection with transfer of treasury shares, the equity swap agreement with a third party (item 19(c)) is only proposed as an alternative if the required majority in accordance with item 19(b) is not achieved.

#### Costs

The total effect on the income statement of LTIP 2026, assuming that all performance share awards are allocated, is estimated to amount to approximately SEK 193 million, distributed over the years 2026–2028. The cost includes an assumption of 21 percent of social security contributions, maximum outcome for all performance criteria, maximum allocation of performance share awards and a share price at the time of allocation of SEK 180 and a share price after three years at the time of exercise of SEK 240.<sup>5</sup> The costs will be reported in accordance with IFRS2 and will depend on the future development of the price of H&M B share.

#### Dilution

Since the proposal does not involve the issuance of new shares, LTIP 2026 will not result in any dilution of existing shareholders' votes or share capital. The effect on important key figures is only marginal.

#### **Proposal for resolution on transfer of treasury shares to employees (item 19(b))**

To ensure delivery of performance shares in accordance with the terms and conditions of LTIP 2026, the board of directors proposes that the annual general meeting resolves to transfer a maximum of 1,400,000 B shares under the following terms:

- The right to acquire shares shall be granted to such persons within the H&M group covered by the terms and conditions pursuant to LTIP 2026. Furthermore, subsidiaries within the H&M Group shall have the right to acquire shares, free of charge, and such subsidiaries shall be obligated to immediately transfer, free of charge, shares to employees covered by the terms and conditions of LTIP 2026.
- The employee shall have the right to receive shares during the period when the employee is entitled to receive shares pursuant to the terms and conditions of LTIP 2026.
- Employees covered by the terms and conditions of LTIP 2026 shall receive B shares in the company free of charge.
- The number of B shares in the company that may be transferred under LTIP 2026 may be subject to recalculation in the event of bonus issues, splits, share issues and/or similar measures, under the terms and conditions of LTIP 2026.

#### **Proposal for a resolution on equity swap agreement with third party in relation to LTIP 2026 (item 19(c))**

If the required majority is not obtained under item 19(b) above, the financial exposure of LTIP 2026 may be hedged by the company entering into an equity swap agreement with a third party, whereby the

---

<sup>5</sup>The cost of social security contributions has been calculated based on the average percentage of social security contributions given the intended allocation by geography (21 percent). The calculation assumes that all performance shares are allocated and that the share price at the time of allocation is SEK 240.

third party, in its own name, will be able to acquire and transfer shares in the company to employees covered by LTIP 2026.

**Required majority**

For the resolutions in items 16 and 17 to be passed the proposal must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting. For the resolution in item 19(b) to be passed the proposal must be supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the meeting. For the resolution in items 19(a) and 19(c) to be passed the proposal must be supported by more than half of the votes cast.

**Other proposed resolutions etc.**

**Item 20**

Shareholder proposal from People for the Ethical Treatment of Animals (PETA):

“People for the Ethical Treatment of Animals (PETA) requests that H&M recommits to the company’s 2018 policy prohibiting the use of mohair. Additionally, we encourage the Board to consider developing a plan to phase out all remaining animal-derived materials.”

---

### **Number of shares and votes**

There are 194,400,000 series A shares in the company with 10 votes per share and 1,410,091,375 series B shares with one vote per share, with the result that the total number of shares in H&M is 1,604,491,375 and the total number of votes is 3,354,091,375. At the time the notice of the annual general meeting was issued H&M itself held 6,718,372 series B shares, corresponding to 6,718,372 votes, which cannot be represented at the meeting.

---

The annual and sustainability report for 2025 was published on the company's website at [hmgroup.com/agm](http://hmgroup.com/agm) on 26 March 2026.

The annual and sustainability report is available at H&M's head office, Mäster Samuelsgatan 46A, 106 38 Stockholm and on the company's website, and will be sent out to shareholders submitting such a request and stating their postal address. It will also be available at the meeting, as will the auditor's report and auditor's statement, the auditor's limited assurance report on the sustainability statement, the board's remuneration report and other documents that are to be made available to the shareholders according to the Swedish Companies Act.

Stockholm, March 2026  
H & M Hennes & Mauritz AB (publ)  
The Board of Directors

---

### **Contacts:**

Hendrik Alpen, Communications Director, +46 (0)73 323 3212  
Joseph Ahlberg, Head of Investor Relations, +46 (0)73 465 9392  
Karin Eliasson, member of the nomination committee, Handelsbankens Fonder +46 (0)70 334 0332  
Anders Hansson, member of the nomination committee, AMF Tjänstepension & AMF Fonder +46 (0)70 549 0535

H&M Group Media Relations +46 (0)8 796 5300 email: [mediarelations@hm.com](mailto:mediarelations@hm.com)

Press images and background information for editorial use can be downloaded from [hmgroup.com/media](http://hmgroup.com/media).

The notice of the annual general meeting is being published on 26 March 2026 on the company's website [hmgroup.com/agm](http://hmgroup.com/agm).

On 1 April 2026 the notice will be published in Post- och Inrikes Tidningar (the Swedish Official Gazette). On the same date an advertisement will appear in Dagens Nyheter and Svenska Dagbladet stating that the meeting has been convened.



H & M HENNES & MAURITZ AB (PUBL) was founded in Sweden in 1947 and is listed on Nasdaq Stockholm. H&M's business idea is to offer fashion and quality at the best price in a sustainable way. The group's brands are H&M (including H&M HOME, H&M Move and H&M Beauty), COS, Weekday (including Cheap Monday and Monki), & Other Stories, ARKET, Singular Society and Sellpy. The group also includes several ventures. For further information, visit [hmgroup.com](http://hmgroup.com).