

H&M Group

Press release

31 March 2022

NOTICE OF ANNUAL GENERAL MEETING

H & M Hennes & Mauritz AB (publ) (556042-7220) will hold its annual general meeting at 15.00 CEST on Wednesday, 4 May 2022.

The annual general meeting will be held digitally (online) via computer or other internet-enabled device, combined with the possibility of postal voting in advance of the meeting; in accordance with §§ 14 and 15 of the Swedish Act (2022:121) on temporary exemptions to facilitate the holding of general meetings of companies and associations.

Digital participation

Shareholders who wish to attend the AGM digitally must:

- both* be entered in the company's register of shareholders kept by Euroclear Sweden AB in their own name by Tuesday, 26 April 2022,
- and* notify their intention to attend the annual general meeting no later than Thursday, 28 April 2022, either in writing to the address H & M Hennes & Mauritz AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm (mark the envelope "Årsstämma 2022") or by telephone to +46 (0)8 402 9048 between 9.00 - 16.00 CEST Monday to Friday, stating that it concerns notice of attendance at the AGM, or on the company's website at hmgroupp.com/agm

Shareholders must state in the notification their name, personal identity number or company registration number and their telephone number (daytime), as well as the number of shares held.

Participants will be sent passes as usual. The pass will contain instructions for how to log in to the meeting, make contributions and vote. Further details can be found in the paragraphs below and in the information sheet that is available on H&M's website hmgroupp.com/agm, and will also be sent to participants when they notify their intention to attend the AGM.

Digital participation is being arranged by Euroclear Sweden and its subcontractor Lumi Global. To attend the meeting the participant must access the Lumi Global website at <https://web.lumiconnect.com>. This website can be accessed from most web browsers on a computer, laptop or other internet-enabled device such as a tablet or smartphone. To participate in the AGM in this way the participant must log in at <https://web.lumiconnect.com> on the day of the AGM.

On logging into the website <https://web.lumiconnect.com> on the day of the meeting the participant will be asked to enter a Meeting ID, which is 171-344-439. The participant will then be prompted to enter their unique username and password. These can be found on the pass sent to the participant after they have notified their intention to attend the meeting as described above. Access to the meeting via the website will be available from 14.30 CEST on 4 May 2022. Please note that to be able to participate in and vote at the meeting, participants must have accessed the meeting no later than 15.00 CEST on 4 May 2022; after that time it will no longer be possible to log in. More detailed information on digital attendance at the meeting, including the form the voting procedure will take, is available at hmgroupp.com/agm. To be able to participate in the AGM digitally it is the participant's responsibility to ensure that they have functioning internet connectivity for the duration of the AGM.

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 in their own name by Tuesday, 26 April 2022,
- and* register their participation no later than 16.00 CEST on Thursday, 28 April 2022 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

“Årsstämma 2022”) or by email to GeneralMeetingService@euroclear.com, so that the postal vote is received by Euroclear Sweden AB by the time stated. Shareholders may also cast their postal votes electronically, using BankID verification, on Euroclear Sweden AB’s website <https://anmalan.vpc.se/EuroclearProxy/>. Such electronic votes must be cast by at latest 16.00 CEST on 28 April 2022.

A special form is to be used for postal voting. The form is available on the company’s website at hmgroup.com/aggm. Shareholders that are participating only through postal voting are not required to register for the meeting separately.

A power of attorney must be enclosed with the form if the shareholder is postal voting via a proxy. A power of attorney form will be provided by the company on request and is also available on the company’s website at hmgroup.com/aggm. 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://anmalan.vpc.se/euroclearproxy>.

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 2022 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. A power of attorney form is available on the website at hmgroup.com/aggm.

Digital attendance: If a complete power of attorney form has been received by the company in good time before the passes are sent out, the pass containing your unique username and password will be sent to the proxy. If a complete power of attorney form is not received in good time before the passes are sent out, the pass will be sent to the shareholder.

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
Att: Årsstämman
106 38 Stockholm

or

by email:

Hm4may@hm.com

H&M has made careful preparations to enable participation and voting online. However, it cannot be ruled out that some technical problem will result in this function failing. It is therefore important to note that anyone wishing to be completely sure of being able to vote should choose to submit a postal vote.

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

For information on how your personal data is processed, see:
<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

PROPOSED AGENDA

1. Opening of the AGM.
2. Election of a chair for the AGM.
3. Election of people to check the minutes.
4. Establishment and approval of voting list.
5. Approval of the agenda.
6. Examination of whether the meeting was duly convened.
7. Presentation of the annual and sustainability report and the auditor's report, as well as the consolidated accounts and consolidated auditor's report, and 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.
 - c. Discharge of the members of the board and the 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. Stina Bergfors
 - 12.2. Anders Dahlvig
 - 12.3. Danica Kragic Jensfelt
 - 12.4. Lena Patriksson Keller
 - 12.5. Karl-Johan Persson
 - 12.6. Christian Sievert
 - 12.7. Erica Wiking Häger
 - 12.8. Niklas Zennström
 - 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. Approval of the board's remuneration report.
16. Resolution authorising the board to make decisions concerning purchase of own shares
17. Resolution on amendment of the articles of association.
18. Proposal by shareholder Per Hägglund to replace fossil materials with renewable forest resources.
19. Proposal by shareholder Fair Action calling for action by the board in respect of workers in H&M's supply chain.
20. Proposal by shareholder Fondazione Finanza Etica on reporting of sustainably sourced and organically produced cotton etc. respectively.
21. Proposal by shareholder Fondazione Finanza Etica on reporting how H&M prevents indirect purchasing of goods and use of forced labour etc.
22. 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; Jan Andersson (Swedbank Robur fonder); and Erik Durhan (Nordea fonder).

Resolutions proposed by the nomination committee

Item 2 – Proposed by the nomination committee: the lawyer Sven Unger is proposed as chair of the AGM.

Item 3 – The nomination committee proposes that Jan Andersson (Swedbank Robur fonder) and Erik Durhan (Nordea fonder) check the minutes 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 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 remains as previously, 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 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.

Item 12 – The nomination committee proposes the following board of directors:
Re-election of current board members: Stina Bergfors, Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Karl-Johan Persson, Christian Sievert, Erica Wiking Häger, Niklas Zennström.

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

Item 13 – 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.

Item 14 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 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.

Resolutions proposed by the board

DIVIDEND, item 9 b

The board proposes that the 2022 annual general meeting resolve to distribute a dividend to the shareholders of SEK 6.50 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 3.25 per share is 6 May 2022. If the resolution is passed by the annual general meeting, the first dividend payment is expected to be made by Euroclear Sweden AB on 11 May 2022. The proposed record date for the second dividend payment of SEK 3.25 per share is 11 November 2022. If the resolution is passed by the annual general meeting, the second dividend payment is expected to be made by Euroclear Sweden AB on 16 November 2022.

APPROVAL OF THE BOARD’S REMUNERATION REPORT, item 15

The board proposes that the annual general meeting approve the board’s remuneration report.

RESOLUTION AUTHORISING THE BOARD TO MAKE DECISIONS CONCERNING PURCHASE OF OWN SHARES, item 16

The board proposes that the annual general meeting resolves 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 the 2023 annual general meeting for a total amount not exceeding SEK 3 billion; 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 at a price per share within the price interval applicable at the time of acquisition. The purpose of the authorisation is to enable the board to adjust the company’s capital structure during the period up to the next annual general meeting, after which the board intends to propose to the 2023 annual general meeting that it resolve to cancel the shares repurchased by the company. In addition, the board intends to also propose to the same annual general meeting a resolution concerning an equivalent bonus issue to restore the decreased share capital.

RESOLUTION ON AMENDMENT OF THE ARTICLES OF ASSOCIATION, item 17

The board of directors proposes the following amendment to the articles of association.

The board proposes that a new third paragraph, with the wording below, is introduced into § 13 of the articles of association:

A person who is not a shareholder in the company has the right to attend or otherwise follow the proceedings at a general meeting on the terms determined by the board of directors.

Other proposed resolutions etc.

Item 18

Shareholder Per Hägglund proposes that the annual general meeting resolve that the company will co-finance a pilot plant to produce textiles made from forest resources and recycled materials.

Item 19

Proposal from shareholder Fair Action: “The annual general meeting calls on the company’s board: To, through negotiations with trade union parties, produce a transparent and legally binding agreement for the purpose of:

1. ensuring that all workers in H&M’s supply chain are compensated for the outstanding wages and statutory severance pay that many workers were not paid during the coronavirus pandemic;
2. ensuring, by setting up a legally binding guarantee fund for severance pay, that workers are never again left with no pay in the event that the factory they work for goes bankrupt or for other reasons does not pay out the compensation to which the workers are entitled.”

Item 20

Proposal from shareholder Fondazione Finanza Etica:

“We call upon H&M:

- to report separately the proportion of the sustainably sourced cotton that is either recycled, organically produced or sourced through the “Better Cotton Initiative”;
- to report in full its organically produced (GMO-free) cotton using an independent organic cotton label, e.g. Global Organic Textile Standard (GOTS);
- to establish target threshold values for recycled fibres in its purchasing volumes (yarn, fabrics and garments);
- to state how it will increase the product lifecycle of its clothing by promoting long-lasting quality materials and clothing that is designed to be ready to be recycled and how it will replace composite materials with monomaterials over time through specific targets.”

Item 21

Proposal from shareholder Fondazione Finanza Etica:

“We call upon H&M:

- to fully report how H&M prevents indirect purchasing of goods and use of forced labour from XUAR;
- to disclose the number of audits performed by the company each year in China and other regions, including information on how comparable factories meet the requirements concerning the employees’ fundamental rights (including payment of a living wage), the employees’ rights, health and safety, the environment and other relevant matters that were identified in the audit report for 2010;
- to publish information on incidents of noncompliance and the actions taken to remedy this.”

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.

The annual and sustainability report for 2021 was published on the company’s website at hmgroupp.com/agm on 31 March 2022.

The annual and sustainability report is available at H&M’s head office, Mäster Samuelsgatan 46A, 106 38 Stockholm and on the company’ website, and will be sent out to shareholders submitting such a request and stating their postal address. It will also be presented at the meeting, as will the auditor’s report and auditor’s statement, and the board’s remuneration report.

Correspondence from shareholders proposing the resolutions in items 18, 19, 20 and 21 is available at H&M's head office and on the company's website.

Stockholm, March 2022
H & M Hennes & Mauritz AB (publ)
The Board of Directors

Contacts:

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Press images and background information for editorial use can be downloaded from hmgroupp.com/media.

The notice of the annual general meeting is being published on 31 March 2022 on the company's website hmgroupp.com/agm.

On 4 April 2022 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 quoted on Nasdaq Stockholm. H&M's business idea is to offer fashion and quality at the best price in a sustainable way. In addition to H&M, the group includes the brands COS, Monki, Weekday, & Other Stories, H&M HOME and ARKET as well as Afound. For further information, visit hmgroupp.com.

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