

## Account of the work of the H&M group's nomination committee ahead of the 2021 annual general meeting

According to previously applied principles for the nomination committee that were adopted at the 2020 annual general meeting, the H&M group has a nomination committee made up of the chairman of the board plus four other members each nominated by one of the four largest owners measured by voting rights, as far as can be ascertained from the register of shareholders.

The nomination committee, which was elected by the annual general meeting on the basis of principles for the nomination committee, changed its composition during the year as there were changes in the shareholdings of the largest owners which affected the size order of the four largest shareholders as ascertained from the register of shareholders.

At present the nomination committee consists of:

Karl-Johan Persson, chairman of the board  
Stefan Persson (Ramsbury Invest AB)  
Lottie Tham  
Jan Andersson (Swedbank Robur fonder)  
Anders Oscarsson (AMF and AMF fonder)

Stefan Persson is chairman of the nomination committee. The members of the nomination committee represent around 78.6 percent of the votes in H & M Hennes & Mauritz AB as at 26 February 2021. The above nomination committee shall continue to exist until a new nomination committee is appointed.

### **Work of the nomination committee**

Since the 2020 annual general meeting the nomination committee has held two minuted meetings and the members have also been in ongoing contact between meetings. The nomination committee's decision to appoint Stefan Persson as chairman is in line with the basic rule in the principles established for the nomination committee by the annual general meeting.

As a basis for its work ahead of the 2021 annual general meeting on analysing the composition of the board, the nomination committee studied the report by the chairman of the board on the work of the board of directors and also on one occasion met with CEO Helena Helmersson. The board functioned well over the course of the year and the information from the chairman of the board, along with interviews conducted with the board members elected by the general meeting, provided a basis for the nomination committee's work on its proposal to the 2021 annual general meeting regarding the composition of the board. The proposal to the annual general meeting arrived at by the nomination committee is for the re-election of all the current board members – Stina Bergfors, Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Karl-Johan Persson, Christian Sievert, Erica Wiking Häger and Niklas Zennström – and the re-election of Karl-Johan Persson as chairman of the board.

As a basis for its proposal for a new accounting firm the nomination committee received a report from the chairman of the auditing committee, Christian Sievert, who gave an account of how the process of selecting a new accounting firm took place and which accounting firm the board recommends, which is Deloitte AB.

## Resolutions proposed by the nomination committee

The nomination committee is proposing the following resolutions to the 2021 AGM:

- Lawyer Sven Unger as chairman of the meeting.
- The nomination committee proposes that Jan Andersson (Swedbank Robur fonder) and Anders Oscarsson (AMF and AMF 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 current board members: Stina Bergfors, Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Karl-Johan Persson, Christian Sievert, Erica Wiking Häger and Niklas Zennström.

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

See [hmgroupp.com](http://hmgroupp.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 has been approved by the whole board as a recommendation, that registered accounting firm Deloitte AB be elected as auditor of the company until the conclusion of the 2022 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.
- In view of the coronavirus pandemic, its negative impact on the company's business and employees and the current continued uncertainty, the nomination committee is proposing for the second successive year that the board fees remain unchanged.

The nomination committee proposes that the board fees for each member elected by the general meeting remain unchanged from the previous year and are distributed as follows: chairman of the board SEK 1,700,000; members SEK 650,000. It is proposed that the fees for work in the auditing committee are SEK 225,000 for the chairman and SEK 175,000 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 unchanged from the previous year at SEK 6,825,000.

- It is proposed that the auditor's fees be paid based on approved invoices.
- Election of members of the nomination committee and establishment of principles for the nomination committee.

See Annex 1.

## The nomination committee's reasoning for the composition of the board

Due to the pandemic, 2020 and the start of 2021 have been challenging and the board has had significantly more meetings than normal. All the meetings were attended by the full board and great

commitment was shown. The board is functioning well and the members' competencies complement each other well, forming a good whole. In view of this, and the fact that the year has been a very special one, the nomination committee has concluded that it will not propose any changes to the composition of the board.

The nomination committee judges that the proposed board of directors accords well with section 4.1 of the Swedish Corporate Governance Code, which the nomination committee applies as a diversity policy. In the nomination committee's opinion, the proposed board is characterised by diversity and breadth as regards expertise, experience, background and gender balance.

The nomination committee has continued to aim for 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 (corresponding to 50 percent women and 50 percent men). The board thus achieves with a margin the ambition communicated by the Swedish Corporate Governance Board, which wants owners to speed up developments towards a share of around 40 percent for the less well represented gender on the boards of major listed companies.

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

Stockholm, March 2021

The Nomination Committee of H & M Hennes & Mauritz AB

## Annex 1

### Proposal for election of and principles for the nomination committee:

*The nomination committee's proposal for members is based on previously applied principles for the composition of the nomination committee, namely that the nomination committee shall consist of the chairman of the board plus four others nominated by the four largest owners measured by voting rights, as far as can be ascertained from the register of shareholders. In other aspects, the proposal is also based on previously applied principles. The nomination committee's proposals for the election of members of the nomination committee are based on shareholdings as at 26 February 2021.*

#### ELECTION OF MEMBERS OF THE NOMINATION COMMITTEE AND ESTABLISHMENT OF PRINCIPLES FOR THE NOMINATION COMMITTEE

The nomination committee proposes that the 2021 annual general meeting passes the following resolution.

##### A. ELECTION OF NOMINATION COMMITTEE

1. That the annual general meeting appoint the chairman of the board Karl-Johan Persson as well as Stefan Persson (nominated by Ramsbury Invest AB), Lottie Tham, Jan Andersson (nominated by Swedbank Robur fonder) and Erik Durhan (nominated by Nordea fonder) as the nomination committee. This nomination committee shall take up its duties immediately. Its term of office shall continue until a new nomination committee is appointed.

##### B. ESTABLISHMENT OF PRINCIPLES FOR THE NOMINATION COMMITTEE

2. No fees shall 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. Unless the members of the nomination committee agree otherwise, the chairman of the nomination committee shall be the member representing the largest owner measured by voting rights.

4.1. The nomination committee shall submit proposals to the 2022 annual general meeting for the following:

- a) election of a chairman for 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 (including work in board committees)
- d) election of board members
- e) election of chairman of the board
- f) resolution on the number of auditors
- g) resolution on fees to the auditor(s)
- h) election of auditor(s)
- i) election of nomination committee, or resolution on principles for the establishment of the nomination committee, as well as resolution on principles for the nomination committee.

4.2. In its proposal for the election of a nomination committee the nomination committee is to apply the following principle.

The nomination committee shall consist of the chairman of the board plus four others nominated by the four largest owners measured by voting rights. The four largest owners measured by voting rights are to be determined based on the shareholder statistics that the company receives from Euroclear Sweden AB as of the last banking day in February in the year that the nomination committee presents its proposal. The shareholder statistics that are to be used shall be sorted by voting rights (in ownership groups) and shall 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.

5. Should a shareholder that nominated a member of the nomination committee notify the nomination committee that this shareholder wishes the person it nominated to be replaced (e.g. because the person concerned is no longer employed), the nomination committee shall resolve that the person concerned shall leave the committee.

6. Should a member leave the nomination committee before its work is complete and the nomination committee deems it necessary to replace this member, the nomination committee shall appoint a new member; in the first instance, a member nominated by the shareholder that the departing member was nominated by, provided that the shareholder remains one of the four largest owners of the company measured by voting rights.

7. Should a shareholder that nominated a member of the nomination committee no longer be one of the four largest owners of the company measured by voting rights, the nomination committee may resolve that the member nominated by that shareholder shall leave the committee. In which case, and even in the event that the nomination committee resolves that the member concerned shall not leave the committee, the nomination committee may appoint a new, or additional, member; in the first instance, a member nominated by the shareholder that is now one of the four largest owners measured by voting rights.

8. Should a shareholder invited by the nomination committee to propose a member decline to make a proposal, the nomination committee shall invite the next largest shareholder that has not previously nominated a member of the nomination committee.

9. Changes to the composition of the nomination committee shall be published as soon as possible.

10. In these principles the term shareholder or owner in expressions such as “the four largest owners measured by voting rights” or “the next largest shareholder” shall refer to shareholders as recorded in the shareholder statistics stated in 4.2 above.