

Annual Corporate Governance Report (ACGR)

ISSUER IDENTIFICATION DETAILS

Year End-Date: 31/01/2022

Tax ID (CIF): A15075062

Company name: INDUSTRIA DE DISEÑO TEXTIL, (INDITEX, S.A.)

Registered office: Avda. de la Diputación, Edificio Inditex, 15142 Arteixo (A Coruña) (Spain)

In this Annual Corporate Governance Report, the board of directors of INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.), (“INDITEX”, “Inditex”, the “Group” or the “Company”) has included all the relevant information for financial year 2021, which commenced on 1 February 2021 and ended on 31 January 2022, excepting those cases in which other dates of reference are specifically mentioned.

The revised text of the Ley de Sociedades de Capital [*Spanish Companies Act*] approved by *Real Decreto Legislativo* 1/2010 of 2 July (the “Companies Act” or “LSC” [*Spanish acronym*]), amended by Act 31/2014 of 3 December to improve corporate governance (“Act 31/2014”), Act 5/2015 of 27 April on promotion of corporate financing (“Act 5/2015”) and by recently passed Act 5/2021 of 12 April as regards encouragement of long-term shareholder engagement in listed companies (“Act 5/2021”), represents the basic legal framework of corporate governance in Spain.

In addition, the Good Governance Code of Listed Companies (“GGC” or “Good Governance Code”), approved by the Comisión Nacional del Mercado de Valores [*Spanish National Securities Market Commission*] (“CNMV” [*Spanish acronym*]) in February 2015 and amended in part by CNMV’s board on 25 June 2020, lists a set of principles and practices that must govern corporate governance in listed companies.

For the purposes of aligning the standard forms of the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors with LSC’s partial amendment resulting from Act 5/2021 above referred, CNMV’s Circular 3/2021 of 28 September was published on 9 October 2021, amending in part (i) Circular 5/2013, of 12 June that sets forth the standard form of the annual corporate governance report for listed public limited companies, saving banks and other entities that issue securities admitted to trading on regulated markets; and (ii) Circular 4/2013 of 12 June that sets forth the standard forms of the annual report on remuneration of directors for listed public limited companies, saving banks and other entities that issue securities admitted to trading on regulated markets (“Circular 3/2021”).

Consequently, this Report has been filed, taking into account the amendments and new requirements laid down in Circular 3/2021, in free format in accordance with the provisions of Circular 5/2013 above referred.

Notwithstanding the foregoing, the contents of this Report meet the minimum requirements laid down in applicable regulations, as provided in section 540 LSC and in Order ECC/461/2013 of 20 March, and is accompanied by the relevant statistical Appendix.

This Annual Corporate Governance Report will be released as other relevant information (OIR [*Spanish acronym*]) contemporaneously with the release of the Annual Report on Remuneration of Directors and will be available on Inditex’s corporate website and on CNMV’s website.

Inditex’s corporate governance rules are established in the Articles of Association, the Board of Directors’ Regulations, the Regulations of the General Meeting of Shareholders, the terms of reference of board committees, the Internal Regulations of Conduct in the Securities Markets (IRC), the Code of Conduct and Responsible Practices and the Regulations of the Social Advisory Board, as it is explained in more detail below:

Articles of Association. Approved by the Annual General Meeting in July 2000 and amended several times. They were last amended on 13 July 2021 for the purposes, on the one hand, of encompassing the regulatory development introduced by Act 5/2021 and on the other, aligning its language with the correlative amendments to the Board of Directors' Regulations and the terms of reference of the Audit and Compliance, Nomination and Sustainability Committees made throughout 2020 to bring them into line with the provisions of the revised GGC, amended in part further to a resolution passed by CNMV's board on 25 June 2020.

With the second group of amendments, the process to review and standardize the Group's internal regulations which had begun in FY2020 to align them with the revised GGC, is completed.

Board of Directors' Regulations: Approved by the Board of Directors in July 2000. This set of rules seeks to determine the principles of operation of the Board of Directors, the basic rules for its organization and proceedings and the rules governing the conduct of its members; it provides among other matters, rules regarding the appointment and removal of Directors, their rights and duties and the relations of the Board of Directors with the shareholders, the markets and the external auditor, all this with the aim of achieving the highest possible degree of efficiency. Amended several times, the last amendment was approved by the Board of Directors on 8 June 2021, for the purposes of encompassing the regulatory development introduced by Act 5/2021. All such amendments are addressed in greater detail in section C.1.15 below.

Regulations of board committees (Audit and Compliance Committee's Regulations, Nomination Committee's Regulations, Remuneration Committee's Regulations and Sustainability Committee's Regulations, jointly "board committees"):

The terms of reference of the Audit and Compliance Committee, the Nomination Committee, and the Remuneration Committee were approved by the Board of Directors in the meeting held on 9 June 2015. The board of directors approved the Sustainability Committee's Regulations in the meeting held on 16 July 2019 following the committee's formation.

These terms of reference seek to govern the proceedings of these Committees as regards their powers, composition, calling, quorum, decision-making and relationship with the remaining governing bodies of the Company.

The terms of reference of board committees were updated for the last time on 8 June 2021. With regard to the Audit and Compliance and Nomination Committee's Regulations, the amendment thereof mainly sought to align their provisions with the regulatory development introduced by Act 5/2021.

Meanwhile, the terms of reference of all board committees were updated for the purposes of relaxing the current system set to hold meetings, expressly including the possibility to hold virtual meetings. With regard to the Remuneration Committee's Regulations, they were amended for the purposes of extending diversity yardsticks to be considered for its membership, in line with the terms of the sets of rules of the remaining board committees.

Regulations of the General Meeting of Shareholders: This set of rules was approved by the Annual General Meeting on 18 July 2003. Its aim is to govern the proceedings of the General Meeting of Shareholders as to calling of meetings, preparation, information, attendance, proceedings and exercise of voting rights, and to inform shareholders of their rights and duties relating to such body. Said Regulations have been amended on different occasions, to adapt its provisions to the successive updates of the Articles of Association, the latest one of which took place on 13 July 2021. As was the case with the amendment to the Articles of Association, approved on that same date, such amendment seeks to encompass the regulatory development introduced by Act 5/2021. In particular, the possibility of holding virtual-only general meetings was covered, in accordance with the provisions of new section 182*bis* LSC.

Internal Regulations of Conduct in the Securities Markets (the “Internal Regulations of Conduct” or “IRC”): the IRC was originally approved by the board of directors in July 2000. This document provides, among other things, the rules for processing, safeguarding and disclosing inside information and other relevant information of the Company, the system that governs transactions in Inditex securities and financial instruments carried out by the persons included in its scope, the provisions on prohibition of market manipulation and Inditex’s policy on treasury stock.

The new IRC was approved by the board of directors on 19 July 2016 for the purposes of adapting its contents to the European regulatory framework to fight market abuse, made up of Regulation (EU) No 596/2014 of 16 April 2014 on market abuse, Directive 2014/57/EU of 16 April 2014, and their respective implementing regulations, that seek to reinforce the integrity of the financial markets and to set up mechanisms for a streamlined implementation and supervision in the different Member States of the European Union.

The last amendment to the IRC was approved by the board of directors on 14 September 2021, mainly for the purposes of aligning its language with the reorganization and changes in the Compliance Supervisory Board (formerly known as “Code Compliance Supervisory Board”) as well as encompassing the regulatory development introduced by Act 5/2021.

Code of Conduct and Responsible Practices of the Inditex Group: approved by the Board of Directors on 17 July 2012, it provides the action lines which must be followed by the Group in the performance of its professional duties. Its goal consists of exacting an ethical and responsible professional conduct from Inditex and its entire workforce in the conduct of their business anywhere in the world, as a gist of its corporate culture upon which the training and the personal and career development of its employees is based. For such purposes, the principles and values which shall govern the relations between the Group and its main stakeholders (employees, customers, shareholders, business partners, suppliers and the societies where its business model is implemented) are defined. The Code of Conduct and Responsible Practices is informed by a number of overarching principles, including, (i) that according to which all the operations of the Inditex Group shall be carried out under an ethical and responsible perspective; (ii) that according to which all persons, whether natural or legal, directly or indirectly engaged in any kind of professional, economic, social or industrial relationship with the Inditex Group, shall be treated in a fair and honourable manner; and (iii) that according to which all the activities of the Group shall be carried out in the most environment-friendly manner, promoting biodiversity preservation and sustainable management of natural resources.

Current full text of all the aforementioned documents is available on the corporate website: (i) under the “*Compliance*” tab, “Corporate Governance” section; and (ii) under the “*How we do business*” tab.

Regulations of the Social Advisory Board: The Social Board is Inditex’s advisory body in the field of social and environmental sustainability. In December 2002, the board of directors authorized its creation and approved its Regulations, which determine the principles of action, the basic rules governing its organization and proceedings and the rules of conduct of its members.

The Regulations of the Social Advisory Board has been amended several times, and for the last time on 16 July 2019 for the purposes of establishing its functional reporting line to the Sustainability Committee.

A. Ownership structure

A.1. Complete the following table on share capital and voting rights attached to shares, including those corresponding to shares with a loyalty vote at year end, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

Yes No

Indicate whether the company has awarded votes for loyalty:

Yes No

Date of the last share capital change	Share capital (€)	Number of shares	Number of voting rights (not including additional votes for loyalty)	Number of additional voting rights attached to shares with a loyalty vote	Total number of voting rights, including additional votes attached to loyalty shares
20/07/2000: AGM resolution	€93,499,560	3,116,652,000 shares	3,116,652,000	0	3,116,652.000

Indicate whether there are different classes of shares with different rights attached:

Yes No

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred
-	-	-	-	-

All shares are of the same class and series, represented by the book-entry method and are fully paid-up and subscribed.

INDITEX has been listed on the four different Spanish Stock Exchanges since 23 May 2001 and has been part of the selective IBEX35 index since July 2001. In addition, it has been part of the Eurostoxx 600 index since September 2001, of MSCI index since November 2001, of the Dow Jones Sustainability index since September 2002 and of the FTSE4Good index since October 2002.

A.2. List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

The Company issues shares represented by the book-entry method. In addition, pursuant to the provisions of section 497 LSC, Inditex has a contract with Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) [*Spanish Central Securities Depository in charge of the Register of Securities, and the Clearing and Settlement of all trades*] for the daily share ownership notification service.

According to the Company's Shareholders Register, the direct or indirect shareholders with significant shareholdings in the Company as at 31 January 2022, including directors with a significant shareholding, were those shown below:

Name or company name of shareholder	% of voting rights attached to the shares (including votes for loyalty)		% of voting rights through financial instruments		% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr Amancio Ortega Gaona		59.294%			59.294%		
Ms Sandra Ortega Mera		5.053%			5.053%		

Breakdown of the indirect shareholding:

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares (including votes attached to loyalty shares)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attached to the shares, indicate, where appropriate, the additional votes attached to loyalty shares	
Mr Amancio Ortega Gaona	Pontegadea Inversiones, S.L. (*)	50.010%	-	50.010%	-	-
	Partler Participaciones, S.L.U.	9.284%	-	9.284%	-	-
Ms Sandra Ortega Mera	ROSP CORUNNA PARTICIPACIONES EMPRESARIALES, S.L.	5.053%	-	5.053%	-	-

Remarks

(*) Mr Amancio Ortega Gaona owns a 59.294% stake in Inditex’s share capital through the companies styled Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U.

Mr Ortega and Pontegadea Inversiones, S.L., represented by Ms Flora Pérez Marcote, sit on Inditex’s board of directors as proprietary directors.

Indicate the most significant changes in the shareholder structure during the year:

The Company has not received any notices regarding any significant movements in shareholder structure over the year.

A.3. Give details of the stake at fiscal year-end, of the members of the board of directors who are holders of voting rights attached to shares of the company or through financial instruments, irrespective of the percentage, excluding the directors who have been identified in Section A2 above:

As at 31 January 2022, directors with a stake in the share capital of the Company were as follows:

Name or company name of director	% of voting rights attached to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attached to shares, indicate, where appropriate, the % of the additional votes attached to shares with a loyalty vote		% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect	Direct	Indirect
Mr Pablo Isla Álvarez de Tejera	0.068%	-	0.007 ¹²¹ %	-	0.075%			-	-
Mr Óscar García	0.0004%	-	0.005 ¹²² %	-	0.0054%				

¹²¹ With regard to the second cycle (2020-2023) of the 2019-2023 Long-Term Incentive Plan, the Executive Chairman may receive up to a maximum number of 120,174 shares (i.e. 0.0038%). Likewise, with regard to the first cycle (2021-2024) of the new 2021-2025 Long-Term Incentive Plan, the Executive Chairman may receive up to a maximum of 116,569 shares (i.e. 0.0037%).

¹²² With regard to the second cycle (2020-2023) of the 2019-2023 Long-term Incentive Plan, Mr Óscar García Maceiras, the new CEO of the company since 29 November 2021, may receive up to a maximum number of 61,854 shares. (i.e.

Maceiras								
Mr José Arnau Sierra	0.001%	-	-	-	0.001%		-	-
Bns. Denise Patricia Kingsmill	-	-	-	-	-		-	-
Ms Anne Lange	-	-	-	-	-		-	-
Ms Pilar López Álvarez	0.0001%	-	-	-	0.0001%		-	-
Mr José Luis Durán Schulz	0.0001%	-	-	-	0.0001%		-	-
Mr Rodrigo Echenique Gordillo	-	-	-	-	-		-	-
Mr Emilio Saracho Rodríguez de Torres	-	-	-	-	-		-	-
TOTAL	0.0696				0.0816			

Total % of voting rights held by the board of directors	59.3756%
Total % of voting rights represented on the board of directors	59.3756%

0.002%) for the duties performed as General Counsel and Secretary of the Board of Directors in 2021 and taking into account the amount he has been assigned as CEO pursuant to the Remuneration Policy approved at the Annual General Meeting held in 2021. Likewise, with regard to the first cycle (2021-2024) of the new 2021-2025 Long-Term Incentive Plan, the CEO may receive up to a maximum of 68,562 shares. (i.e. 0.002 %).

A.4. Where applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Type of relationship	Brief description
- Ms Sandra and Mr Marcos Ortega Mera.	Family	Ms Sandra and Mr Marcos Ortega Mera are the offspring of Mr Amancio Ortega Gaona, director and indirect shareholder.
- Mr Amancio Ortega Gaona		Mr Amancio Ortega Gaona is an indirect shareholder of Inditex via significant shareholders Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U. and Ms Sandra and Mr Marcos Ortega Mera are indirect shareholders of the Company via significant shareholder Rosp Corunna Participaciones Empresariales, S.L. (where Mr Ortega Mera has a minority shareholding).

The Company has not received notice of any family, commercial, contractual or corporate relationships existing between the owners of significant holdings that are of a relevant nature or that do not arise from the ordinary course of business.

A.5. Where applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

There have been no relationships of a commercial, contractual or corporate nature between significant shareholders and the company that are of a relevant nature or that do not arise from the ordinary course of business, without prejudice to the information provided, for transparency sake, under section D below regarding “Related party and Intragroup transactions”.

A.6. Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or

their representatives in the case of directors that are legal persons.

Explain, where applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/position
Mr Amancio Ortega Gaona	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA, S.L.U.	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA GB 2020, S.L.	Chair of the Board
	PARTLER 2006, S.L.	PARTLER 2006, S.L.	Chair of the Board
	PARTLER 2006, S.L.	PARTLER PARTICIPACIONES, S.L.U.	Chair of the Board
Mrs Flora Pérez Marcote (Legal representative of PONTEGADEA INVERSIONES, S.L.)	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	1 st Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA, S.L.U.	1 st Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA GB 2020, S.L.	1 st Deputy Chair
Mr José Arnau Sierra	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	2 nd Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA, S.L.U.	2 nd Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA ESPAÑA, S.L.U.	Joint Director
	PONTEGADEA INVERSIONES, S.L.	ESPARELLE 2016, S.L.	Sole Director (Legal representative of PONTEGADEA INMOBILIARIA, S.L.U.)
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA DIECIOCHO, S.L.	Sole Director (Legal representative of PONTEGADEA INVERSIONES, S.L.)
	PONTEGADEA INVERSIONES, S.L.	SOBRADO FORESTAL 2014, S.L.	Sole Director

PONTEGADEA INVERSIONES, S.L.	PONTEGADEA FRANCE S.A.S.	Legal representative of the Chair of the Company, PONTEGADEA INMOBILIARIA, S.L.U.
PONTEGADEA INVERSIONES, S.L.	PRIMA CINQUE S.p.A.	Chair
PONTEGADEA INVERSIONES, S.L.	PG REAL ESTATE INTEREST Ltd.	Ordinary member
PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA S.A. de C.V.	Chair
PONTEGADEA INVERSIONES, S.L.	PONTEGADEA CANADA Inc.	Chair
PONTEGADEA INVERSIONES, S.L.	PONTEGADEA KOREA Inc.	Ordinary member
PONTEGADEA INVERSIONES, S.L.	PONTEGADEA USA Inc.	Chair
PONTEGADEA INVERSIONES, S.L.	PONTEGADEA GB 2020, S.L.	2 nd Deputy Chair
PONTEGADEA INVERSIONES, S.L.	HILLS PLACE, S.à.r.l.	Ordinary member
PONTEGADEA INVERSIONES, S.L.	PONTEGADEA UK Ltd.	Ordinary member
PARTLER 2006, S.L.	PARTLER 2006, S.L.	2 nd Deputy Chair
PARTLER 2006, S.L.	PARTLER PARTICIPACIONES, S.L.U.	2 nd Deputy Chair
PARTLER 2006, S.L.	PONTEGADEA PORTUGAL - INVESTIMENTOS IMOBILIARIOS E HOTELEIROS S.A.	Chair
PARTLER 2006, S.L.	ALMACK Ltd.	Ordinary member

Remarks:

As stated in sections A.2 and A.4 above, Mr Amancio Ortega Gaona is an indirect shareholder of Inditex through two significant shareholders: Partler Participaciones, S.L.U. and Pontegadea Inversiones, S.L. This latter is a member of Inditex's board of directors, Ms Flora Pérez Marcote, the spouse of Mr Amancio Ortega Gaona, being its legal representative.

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Companies Act (LSC). If so, describe them briefly and list the shareholders bound by the agreement:

Yes No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes No

The Company has not received any notices regarding the making of shareholders' agreements nor does it have any proof of the existence of concerted actions among its shareholders.

A.8. Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes No

Name or company name
Mr Amancio Ortega Gaona

Remarks:

Mr Amancio Ortega Gaona owns a 59.294% stake in Inditex's share capital through PONTEGADEA INVERSIONES, S.L. and PARTLER PARTICIPACIONES, S.L.U.

A.9. Complete the following table with details of the company's treasury shares: At the close of the year:

Number of direct shares	Number of indirect shares	Total percentage of share capital
4,226,305	0	0.136%

Explain any significant changes during the year:

As at 31 January 2021, the Company owned 1,726,305 treasury shares, representing 0.055% of the share capital.

On 13 July 2021 the board of directors approved, under current authorization conferred at the Annual General Meeting held on 16 July 2014, a temporary share buy-back programme, for the purposes of purchasing the necessary number of treasury stock to fulfil the requirements of 2019-2023 Long-Term Incentive Plan regarding the delivery of shares to its beneficiaries.

The Programme was launched in accordance with the provisions of article 5 of Regulation (EU) No 596/2014 on market abuse and of Commission Delegated Regulation (EU) 2016/1052. Under such Programme, 2,500,000 own shares were purchased, representing 0.08% of the company's share capital.

The purchase of shares within the scope of the above referred scheme aside, no other transactions with treasury shares have taken place in 2021.

Consequently, as at 31 January 2022, the Company owned 4,226,305 treasury shares representing 0.136% of the share capital.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, buy back, or transfer treasury shares.

At the date of this report, the authorization granted to the board of directors at the Annual General Meeting held on 16 July 2019 to acquire treasury shares remains in force. Such authorization superseded the prior authorization approved at the Annual General Meeting held on 19 July 2016.

The resolution passed by the aforementioned Annual General Meeting held on 16 July 2019 regarding agenda item 10 is transcribed below:

“To authorize the Board of Directors, so that it may, in accordance with the provisions of section 146 of Companies Act, proceed to the derivative acquisition of treasury stock, either directly or through any subsidiaries in which the Company is the controlling company, observing the legal limits and requirements and under the following conditions:

- a) Methods of acquisition: the acquisition shall be done through purchase and sale, exchange or dación en pago [acceptance in lieu of payment].*
- b) Maximum number of treasury stock to be acquired: shares with a nominal value which, added to that of those shares, directly or indirectly in the possession of the Company, do not exceed 10% of the share capital.*
- c) Maximum and minimum prices: the minimum price of acquisition of the shares shall be their nominal value and the maximum price shall be up to 105% of their market value at the date of purchase.*
- d) Duration of the authorization: five (5) years from the date of this resolution.*

For the purposes of the provisions of section 146.1(a) of the Companies Act, it is hereby stated that shares acquired under this authority may be used by the Company, among other purposes, to be

delivered to employees or directors of the Company, either directly or as result of the exercise of the option right they may hold, under employees' remuneration schemes in respect of employees of the Company or its Group.

This authorization supersedes the authorization approved at the Annual General Meeting held on 19 July 2016".

As stated in section A.9 above, the board of directors approved in the meeting held on 13 July 2021 under the above-described authorisation of the Annual General Meeting, a share buy-back programme to allow the Company to meet its obligations pertaining to the delivery of shares to the beneficiaries of the 2019-2023 Long-Term Incentive Plan.

A.11. Estimated float:

	%
Estimated float	35.0394

A.12. Indicate whether there are any restrictions (articles of association, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorization or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes No x

All shares of the Company carry the same voting and financial rights, and there are no legal or by-law restrictions on the acquisition or transfer of shares.

As regards the exercise of voting rights, the only restriction is that provided in section 83.1 LSC, according to which any shareholder who is in arrears regarding any outstanding payments may not exercise their voting right.

There are no restrictions either to absentee voting, as any shareholder can exercise this right.

A.13. Indicate whether the General Meeting of Shareholders has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Act 6/2007.

Yes

No X

A.14. Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes

No X

B. General meeting of shareholders

The General Meeting of Shareholders duly convened and with a quorum present in accordance with all statutory requirements and those provided in the Articles of Association and its own Regulations, is the supreme and sovereign body of expression of the will of the company. Its resolutions are binding on all shareholders, including absent or dissenting ones, without prejudice to any remedies they may have at law.

In accordance with the Articles of Association and the Regulations of the General Meeting of Shareholders, the General Meeting is authorized to pass all kinds of resolutions concerning the Company and, in particular, and subject to any other powers vested by the applicable regulations, the exercise of the following powers is reserved to such body:

- a) To resolve on the individual annual accounts of the Company and, where appropriate, on the consolidated accounts of the Company and its Group, as well as on the distribution of the income or loss;
- b) To approve the statement on non-financial information;
- c) To appoint, re-elect and dismiss directors, as well as, confirm or revoke such interim appointments of directors made by the Board of Directors, and to review their management;
- d) To approve the adoption of remuneration systems consisting of the granting either of shares or stock options, as well as any other remuneration system linked to the value of the shares, for the benefit of directors;
- e) To approve the remuneration policy for directors pursuant to statutory terms;
- f) To conduct, as a separate agenda item, an advisory say-on-pay vote on the Annual Report on Remuneration of Directors;
- g) To authorize the release of the directors from the duty of preventing conflicts of interest and of the prohibitions arising from the duty of loyalty, when the authorization to release them is attributed by statute to the General Meeting of Shareholders, as well as from the obligation not to compete with the Company;
- h) To authorize the Board of Directors to increase the Company's share capital, or to proceed to the issue of bonds convertible into Company's shares;
- i) To resolve the issue of bonds convertible into Company's shares or which allow bondholders to participate in the company's earnings, the increase or the reduction of the share capital, the exclusion or restriction of the pre-emptive right, the transformation, merger, split-off or winding-up of the Company, the global assignment of assets and liabilities, the approval of the final balance sheet of liquidation, the transfer of the registered office abroad, as well as any other amendment whatsoever of the Articles of Association;
- j) To authorize Company's shares buy-back;
- k) To approve the related-party transactions that the General Meeting must approve pursuant to statute;
- l) To approve such transactions which entail a structural amendment in the Company, and namely: (i) the transformation of listed companies into holding companies, through "subsidiarisation" or the assignment to subsidiaries of core activities theretofore carried out by the Company, even though the Company retains full control of such entities; (ii) the acquisition, disposal or contribution to another company of essential assets; and, (iii) such transactions which entail an effective amendment of the corporate objects and those having an effect equivalent to the liquidation of the Company;
- m) To appoint, re-elect and remove the statutory auditor;

- n) To appoint and remove, where appropriate, the Company's liquidators;
- o) To approve the Regulations of the General Meeting of Shareholders and any subsequent amendment thereof;
- p) To resolve on the matters submitted to it by a resolution of the Board of Directors;
- q) To give directions to the Board of Director or submit to the General Meeting of Shareholders' prior authorization, the passing by the Board of Directors of decisions or resolutions on certain management matters; and
- r) To grant to the Board of Directors such powers it may deem fit to deal with unforeseen issues.

The board of directors must call the Annual General Meeting once a year; within the first six months of the closing of each financial year in order to at least review the company's management, approve, where appropriate, the accounts of the previous year and decide upon the distribution of income or loss.

Pursuant to sections 168 and 495.2(a) LSC, the Extraordinary General Meeting shall meet when the board of directors so resolves or when a number of shareholders representing at least 3% of the share capital so request, expressing in the request the business to be transacted. In this latter case, the General Meeting of Shareholders shall be called to be held within the term provided in the applicable regulations and the agenda of the meeting must include the businesses that were the subject of the request.

In the notice calling the General Meeting of Shareholders, the board of directors shall require the presence of a Notary to take up the minutes of the General Meeting.

General Meetings must be convened by the board of directors through notice published in the Official Gazette of the Companies Register or in one of the newspapers with the largest circulation in Spain, on the Company's website and on CNMV's website, at least 1 month in advance of the day scheduled for the meeting to be held, or within any longer period required by statute, where appropriate, on account of the scope of the resolutions submitted for deliberation. The notice must state the name of the Company, the day, time and place of the meeting, as well as the date on which, if appropriate, the General Meeting shall be held on second call. There must be at least a 24-hour period between the first and the second call. The notice shall likewise state, clearly and precisely, all the business to be transacted therein.

Where the board of directors resolves this possibility and it is announced in the notice calling it, attendance at the Annual General Meeting may be in person or remotely, or even, where circumstances so advise, a virtual-only general meeting can be called. At any rate, remote attendance shall be subject to ensuring that the identity of shareholders and proxy holders is duly guaranteed and that all attendees can effectively participate at the general meeting, both to exercise in real time the relevant right to speak, to information, to raise motions, and to vote they are entitled to, and to follow the participation of the remaining attendees by the above referred means. In such cases, the board of directors will implement in the notice calling the meeting the procedure to exercise shareholders rights.

No later than the date of publication, or at any rate, on the business day that immediately follows, the Company shall send the notice calling the meeting to CNMV, and to the Governing Organizations of the Stock Exchanges where the company's shares are listed for its insertion in the relevant Listing Bulletins. The text of the notice shall also be available on the Company's website.

Notwithstanding the above, the General Meeting shall be deemed to have been duly called and a quorum shall be deemed to be present to discuss any matter, whenever the whole share capital is present and all those attending unanimously agree to hold the meeting.

Against a backdrop still marked by the existence of some restrictions to people's mobility in certain parts of Spain, and for the purposes of ensuring that the Company operates normally and achieves its objectives, while at the same time, protecting the interests of shareholders and other stakeholders, the Annual General Meeting was held, once again on first call, on 13 July 2021. Shareholders and/or proxy holders were able to attend and participate in the meeting both in person or remotely, as the Company made available to them resources and means allowing remote and real time connection, pursuant to the provisions set forth in section 3.1(a) of *Real Decreto-Ley* 34/2020, of 17 November, on urgent measures to support business solvency and the energy sector, and article 16.5 of the Articles of Association and section 11 *bis* of the Regulations of the General Meeting of Shareholders.

The Company further implemented all necessary preventive measures to preserve the health of staff members responsible for arranging the Annual General Meeting and of the shareholders and proxy holders who chose to attend in person.

All members of the board of directors attended the Annual General Meeting in person except for Mr Amancio Ortega Gaona.

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Companies Act (LSC) for General Meeting of Shareholders and the quorum set by the company, and if so give details.

Yes x No

	% required for quorum if different than that set out in section 193 LSC for general matters	% required for quorum if different than that set out in section 194 LSC for special cases therein described
Quorum required on 1 st call	50% of the subscribed voting stock	-
Quorum required on 2 nd call	-	-

Description of differences

Article 18.1 of the Articles of Association and section 16 of the Regulations of the General Meeting provide that a quorum will be present at the General Meeting on first call when shareholders who are present or represented by proxy represent at least 50% of the subscribed voting stock. On second call, generally, a quorum will be present at the General Meeting irrespective of the capital attending the same. However, if the General Meeting of Shareholders is called to decide on an increase or a reduction of the share capital, the issue of bonds convertible into Company's shares or which entitle bondholders to participate in the company's earnings, the exclusion or restriction of the pre-emptive right, the

transformation of the Company, the merger by creation of a new company or by absorption of the Company by another entity, its spin-off in whole or in part, the global assignment of assets and liabilities, the substitution of the company's objects as well as any other amendment whatsoever of the Articles of Association, shall require, on second call, the attendance of 25% of the subscribed voting stock.

Therefore, the only difference between said rules and the provisions of the Companies Act lies in the quorum required to hold the General Meeting on first call: under the Articles of Association and the Regulations of the General Meeting of Shareholders, a quorum will be present at the General Meeting to validly pass any resolution when shareholders present or represented by proxy represent at least 50% percent of the subscribed voting stock, whereas in accordance with sections 193 and 194 LSC, such quorum will only be required to be present on first call for the General Meeting to pass resolutions on the matters described in section 194 exclusively.

This qualified quorum may not be deemed to be a restriction on the control by the Company, since it is only applicable to first calls.

This is expressly permitted by section 193 LSC which provided that a higher quorum may be established in the articles of association.

B.2 Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Companies Act (LSC) and, if so, give details:

Yes No

B.3 Indicate the rules for amending the company's articles of association. In particular, indicate the majorities required for amendment of the articles of association and any provisions in place to protect shareholders' rights in the event of amendments to the articles of association.

Pursuant to the provisions of sections 285 *et seq.* LSC, it is incumbent on the General Meeting of Shareholders to resolve about any amendment to the Articles of Association.

Rules applicable to the amendment of the company's by-laws are provided in the Articles of Association and the Regulations of the General Meeting of Shareholders. Article 18 of the Articles of Association and section 16 of the Regulations of the General Meeting of Shareholders provide a special quorum in order to convene on first call the Annual General Meeting which has to address any amendment to the Articles of Association.

"A quorum will be present at the General Meeting of Shareholders on first call when shareholders who are present or represented by proxy hold at least fifty (50) percent of the subscribed share capital with the right to vote. On second call, generally, a quorum will be present at the General Meeting, regardless of the share capital attending same. However, if the General Meeting of Shareholders is called to decide on an increase or a reduction of the share capital, the issue of bonds convertible for shares in the Company, or bonds which confer on bondholders a stake in the company's earnings, the exclusion or

restriction of the pre-emptive right, the transformation of the Company, the merger by establishment of a new company or by absorption of the Company by another entity, its split-off in whole or in part, the global assignment of assets and liabilities, the transfer of the registered office abroad, the substitution of the company objects as well as any other amendment whatsoever of the Articles of Association, attendance of twenty-five (25) percent of the subscribed share capital with the right to vote shall be required on second call.”

Section 6.(i) of the Regulations of the General Meeting of Shareholders expressly assigns to the General Meeting of Shareholders the power to approve any amendment to the Articles of Association: *“In accordance with the provisions of the Articles of Association, the General Meeting of Shareholders is authorized to pass all kinds of resolutions concerning the Company, the following powers being namely reserved thereto, without prejudice to any other powers vested by the applicable regulations: (i) To resolve the issue of bonds convertible into Company’s shares or which allow bondholders to participate in the company’s earnings, the increase or the reduction of the share capital, the exclusion or restriction of the pre-emptive right, the transformation, merger, split-off or winding-up of the Company, the global assignment of assets and liabilities, the approval of the final balance sheet of liquidation, the transfer of the registered office abroad, as well as any other amendment whatsoever of the Articles of Association”*

B.4 Give details of attendance at General Meeting of Shareholders held during the reporting year and the two previous years:

AGM Date	Attendance data				Total
	% physically present	% present by proxy	% absentee voting ¹²³		
			Electronic voting	Others	
16-07-2019	0.08%	87.19%	0% ⁽¹⁾	0.35% ⁽¹⁾	87.62%
Of which float	0.08%	22.85%	0%	0.35%	23.28%
14-07-2020	0.07%	88.31%	0% ⁽²⁾	0.34% ⁽²⁾	88.72%
Of which float	0.07%	23.96%	0%	0.34%	24.37%
13-07-2021	0.07%	88.35%	0% ⁽³⁾	0.31% ⁽³⁾	88.73%
Of which float	0.07%	24.00%	0%	0.31%	24.38%

⁽¹⁾ 361 shareholders cast absentee vote through distance communication means, by post, or electronic vote.

⁽²⁾ 146 shareholders cast absentee vote through distance communication means, by post, or electronic vote.

⁽³⁾ 187 shareholders cast absentee vote through distance communication means, by post, or electronic vote.

¹²³ Pursuant to the Regulations of the General Meeting of Shareholders of Inditex, shareholders who cast absentee votes shall be deemed to be present for the purposes of the quorum of the General Meeting of Shareholders in question

B.5 Indicate whether there were any items on the agenda that were not approved by shareholders for any reason, for all general meetings that took place in the year.

Yes No

None of the agenda items subject to deliberation at the Annual General Meeting held on 13 July 2021 was rejected or not approved for any other reason. All agenda items were approved with the percentages and in the manner shown in the votes results available on the Company's corporate website.

B.6 Indicate whether the articles of association contain any restrictions requiring a minimum number of shares to attend General Meeting of Shareholders, or to cast absentee vote:

Yes No

Number of shares required to attend General Meetings	1
Number of shares required to cast absentee vote	1

B.7 Indicate whether it has been established that certain decisions, other than those established by statute, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Meeting of Shareholders.

Yes No

The General Meeting of Shareholders has no powers other than those established by statute.

In accordance with the Articles of Association and the Regulations of the General Meeting of Shareholders, this latter is authorized to pass all kinds of resolutions concerning the Company and, in particular, and subject to any other powers vested by the applicable regulations, the exercise of the powers listed at the beginning of section B above is reserved to such body.

The partial amendment to the Regulations of the General Meeting of Shareholders was approved under agenda item no. 8 of the Annual General Meeting held on 13 July 2021, for the purposes, inter alia, of (i) expressly including the power to approve certain related party transactions pursuant to statutory terms, as provided in new section 529 *duovicies* LSC, introduced by Act 5/2021; and (ii) enabling the possibility of holding virtual-only general meetings, in line with the provisions of new section 182 *bis* LSC.

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Meeting of Shareholders that must be made available to shareholders through the company website.

The most relevant information on the Company's corporate governance system (Articles of Association, Regulations of the General Meeting of Shareholders, Board of Directors' Regulations, the terms of reference of each board committee, the Internal Regulations of Conduct, as well as the composition of the board of directors and its committees, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors) can be found in the "*Compliance*" tab, "*Good Governance*" section of the corporate website (<https://www.inditex.com/en/compliance/corporate-governance/board>).

In that same section, the "*Annual General Meeting*" sub-section provides information on the General Meeting. A tab is available for each Annual General Meeting. Shareholders have access to all mandated or recommended information from the date the meeting is called, so that they can duly exercise their rights to information and participation at the General Meeting. The Annual General Meeting is webcasted live and a link is provided for such purposes in such tabs. Once the meeting has been held, information on the resolutions passed and the votes results is also posted on the website.

C. Company management structure

C.1. Board of Directors

Except for such matters exclusively within the purview of the shareholders at the General Meeting of Shareholders, the board of directors is the highest decision-making, supervisory and monitoring body of the Company, as it is entrusted with its administration, management and representation, delegating as a general rule the management of the day-to-day business of Inditex to the executive bodies and the management team and focusing on the general supervisory function, which includes guiding Inditex's policy, monitoring the management bodies, assessing the management by the senior managers, making the most relevant decisions for the Company and liaising with the shareholders.

It is also incumbent on the board of directors to ensure that the Company enforces its social and ethical duties, and its duty to act in good faith with regard to its relationship with its employees and with third parties, as well as to ensure that no individuals or small groups of individuals have decision power within the company which has not been subject to counterweights and controls, and that no shareholder receives a more privileged treatment than the others.

The board of directors carries out its duties in accordance with the corporate interest, it being understood as the viability and maximization of the company's value in the long term in the interest of all the shareholders, which shall not prevent taking into account the rest of legitimate interests, either public or private, that concur in the development of every business activity, especially those of the other "stakeholders" of the Company (employees, customers, suppliers and civil society at large), determining and reviewing its business and financial strategies pursuant to said criterion, trying to achieve a reasonable balance between the proposals chosen and the risks taken.

C.1.1. Maximum and minimum number of directors established in the articles of association and the number set by the general meeting:

Maximum number of directors	12
Minimum number of directors	5
Number of directors set by the general meeting	11

C.1.2. Complete the following table on board members:

Name or company name of director	Representative	Directorship type	Position on the board	Date first appointed to the board	Date of last appointment	Election procedure
Mr Pablo Isla Álvarez de Tejera		Executive	Executive Chairman	09/06/2005	16/07/2019	AGM
Mr Óscar García Maceiras González		Executive	CEO	29/11/2021	29/11/2021	Board of Directors Co-option
Mr Amancio Ortega Gaona		Proprietary	Ordinary member	12/06/1985	16/07/2019	AGM
Mr José Arnau Sierra		Proprietary	Deputy Chairman	12/06/2012	13/07/2021	AGM
PONTEGADEA INVERSIONES, S.L.	Flora Pérez Marcote	Proprietary	Ordinary member	09/12/2015	14/07/2020	AGM
Bns Denise Patricia Kingsmill		Independent	Ordinary member	19/07/2016	14/07/2020	AGM
Ms Anne Lange		Independent	Ordinary member	10/12/2019	14/07/2020	AGM
Ms Pilar López Álvarez		Independent	Ordinary member	17/07/2018	17/07/2018	AGM
Mr José Luis Durán Schulz		Independent	Ordinary member	14/07/2015	16/07/2019	AGM
Mr Rodrigo Echenique Gordillo		Independent	Lead Independent Director	15/07/2014	17/07/2018	AGM
Mr Emilio Saracho Rodríguez de Torres		Independent	Ordinary member	13/07/2010	16/07/2019	AGM
Total number of directors					11	

Indicate any removal whether through resignation or by resolution of the general meeting, that have occurred on the board of directors during the reporting period:

Name or company name of director	Directorship type at the time of removal	Date of last appointment	Date of termination	Specialized committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
Mr Carlos Crespo González	Executive	16/07/2019	29/11/2021	Executive Committee	Yes (end of his term of office: 16/07/2023)

Reason for removal when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of removal of non-executive directors, explanation or opinion of the director dismissed by the general meeting

Inditex board of directors acknowledged in the meeting held on 29 November 2021 the resignation tendered by Mr Carlos Crespo González from the board of directors and from his positions as CEO and member of the Executive Committee.

Mr Crespo's resignation took place within the framework of the organizational restructuring of the Company, which includes the setting up of a new Management Committee, where Mr Crespo sits following his resignation, as COO & Head of Digital and Sustainable Transformation, to continue boosting areas which are a priority to the Group's strategy. This was explained by Mr Crespo to all board members in a letter sent to the Deputy Chair of the Board of Directors on 29 November 2021.

The foregoing is directly related with the resignation tendered on that same date by Mr Pablo Isla Álvarez de Tejera from his position as Chairman and member of Inditex's board of directors and the Executive Committee. His resignation was also acknowledged by the board of directors in the above referred meeting held on 29 November 2021 and will become effective as of 31 March 2022. Mr Isla will continue performing his current duties until that date.

In this same context, the board of directors resolved in that same meeting, following a favourable report of the Nomination Committee, to co-opt Ms Marta Ortega Pérez to the board as new proprietary director and (non-executive) Chair, to fill the board vacancy which will be created after Mr Isla's departure, and to co-opt Mr Óscar García Maceiras to the board as new executive director and CEO, effective immediately, to fill the board vacancy created after Mr Crespo's resignation.

With Mr Isla's departure and subsequent co-option of Ms Ortega to the board of directors, a generational handover, which had been in the making for a certain time will be completed, piloted by Mr Isla himself and Inditex's founder, controlling shareholder and director, Mr Amancio Ortega Gaona, who were in agreement to ensure that the succession of the Chair takes place in an orderly and planned manner.

C.1.3. Complete the following tables on the members of the board and their directorship type:

The structure of the board of directors is addressed in detail in the sections below. It is represented in the following image:



EXECUTIVE DIRECTORS

Name or company name of the director	Position within the company's organization chart	Profile
Mr Pablo Isla Álvarez de Tejera	Executive Chairman	(1)
Mr Óscar García Maceiras	CEO	(1)
Total number of executive directors		2
% of all directors		18.18%

Remarks

As indicated in section C.1.2 above, the board of directors resolved in the meeting held on 29 November 2021, *inter alia*, following a report of the Nomination Committee, to accept the resignation tendered by Mr Isla who stepped down from the board and its Executive Committee. Mr Isla's departure will be effective on 31 March 2022 and until that date, he will remain in office as Executive Chairman.

NON-EXECUTIVE PROPRIETARY DIRECTORS

Name or company name of director	Name or corporate name of the significant shareholder whom they represent or who has proposed their appointment	Profile
PONTEGADEA INVERSIONES, S.L.	Mr Amancio Ortega Gaona	(2)
Mr Amancio Ortega Gaona	Mr Amancio Ortega Gaona	(2)
Mr José Arnau Sierra	Mr Amancio Ortega Gaona	(2)
Total number of proprietary directors		3
% of all directors		27.27 %

Remarks

The board of directors resolved in the meeting held on 29 November 2021, following a favorable report of the Nomination Committee on the motion raised by Mr Isla and Mr Ortega, to appoint through the co-option system Ms Marta Ortega Pérez to the board of directors as non-executive proprietary director, effective as of 1 April 2022, to fill the board vacancy which will be created only after Mr Isla's departure, i.e., on 31 March 2022. Therefore, as at 2021 year-end, this is not taken into account as a higher percentage of this directorship type. Ms Ortega's appointment to the board via the co-option system will be subject to shareholders at the following Annual General Meeting for ratification.

Pursuant to First Transitional Provision of Act 5/2021, Pontegadea Inversiones, S.L., represented by its legal representative, Ms Flora Pérez Marcote, will remain a member of Inditex board of directors until the end of its term of office.

Ms Pérez's relationship with Pontegadea Inversiones, S.L. is detailed in section A.6 above.

NON-EXECUTIVE INDEPENDENT DIRECTORS

Name of director	Profile
Mr José Luis Durán Schulz	(3)
Mr Rodrigo Echenique Gordillo	(3)
Bns Denise Patricia Kingsmill	(3)
Ms Anne Lange	(3)
Ms Pilar López Álvarez	(3)
Mr Emilio Saracho Rodríguez de Torres	(3)
Total number of independent directors	6
% of all directors	54.55 %

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his/her own name or as a significant shareholder, director or senior manager of a company that has or has had such a relationship.

Except as explained below, no independent director receives any amount or benefit other than the compensation as a director, nor has or has had during the past year any business relationship with the Company or any company in the Group, either in his/her own name or as significant shareholder, director or senior manager of an entity that maintains or has maintained any such relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
- Ms Pilar López Álvarez - Mr Emilio Saracho Rodríguez de Torres - Mr Rodrigo Echenique Gordillo	Inditex has been engaged for years in a business relationship with Microsoft, Consolidated Airlines Group and Banco Santander in the ordinary course of business.	Pursuant to section 229 LSC and section 34.1(d) of the Board of Directors' Regulations, the board of directors has considered that none of the business relationships with any such companies compromises the independence of its directors, as none of them takes part in the negotiation and execution of the relevant agreements, and none of such relationships can be

		deemed to be a significant or relevant business relationship, within the meaning of section 529 <i>duodecis</i> (4)(e)LSC.
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Below is a brief description of the profile of:

- (1) Executive directors
- (2) Proprietary directors
- (3) Independent directors

(1) EXECUTIVE DIRECTORS

Mr Pablo Isla Álvarez de Tejera

Inditex's Executive Chairman since 2011. He previously served as Deputy Chairman and CEO since 2005.

A law graduate from Complutense University of Madrid (1987), he became Spanish State Attorney [*Abogado del Estado*] in 1988, ranked #1 of its class. From 1992 to 1996 he was Group General Counsel of Banco Popular. He went on to be appointed General Director of State Assets at the Ministry of Economy and Finances. From July 2000 to 2005 he was Chairman of Altadis Group. He currently is an independent director on the board of directors of Nestlé.

Mr Isla was re-elected to the board of directors at the Annual General Meetings held on 13 July 2010, 14 July 2015 and 16 July 2019.

He directly owns 1,989,764 shares of the Company.

Mr Óscar García Maceiras

Chief Executive Officer since November 2021. He previously served as General Counsel and Secretary of the Board since March 2021.

A law graduate from Universidade de A Coruña (1998) - Premio Extraordinario y Premio Fin de Carrera [*Award for Excellence in Academic Performance*] in Galicia-, he became Abogado del Estado [*Spanish State Attorney*] in 2001. From 2001 through 2005 he was State Attorney at the State Legal Service in A Coruña. In 2005 he joined Banco Pastor as Head of Legal, and was subsequently appointed Director-General Counsel and Secretary of the Board. In 2012 he was elected Deputy Secretary of the Board of Directors and Head of Institutional Service (Deputy Director) of Banco Popular. In 2012 he joined SAREB where he served as General Counsel and Secretary of the Board and Head of Corporate Development and Legal Affairs until 2016. From 2016 through March 2021, he was Group General Counsel and Deputy Secretary of the Board of Directors of Banco Santander.

Mr García was co-opted to the board of directors as executive director on 29 November 2021.

He directly owns 3,645 shares of the Company.

(2) PROPRIETARY DIRECTORS

Mr Amancio Ortega Gaona

Inditex founder. Mr Ortega began his business career in the textile manufacturing sector in 1963. In 1972 he founded Confecciones Goa, S.A., the first garment-making factory of Inditex and 3 years later he founded Zara España, S.A. the first retailing company of the Group. He was Inditex's Chairman from the date of incorporation until 2011. He currently chairs the board of directors of Pontegadea Inversiones, S.L. and Partler 2006, S.L. as well as the Board of Trustees of *Fundación Amancio Ortega*.

He was re-elected to the board of directors at the Annual General Meetings held on 30 June 1990, 31 July 1995, 20 July 2000, 15 July 2005, 13 July 2010, 14 July 2015 and 16 July 2019.

Mr Ortega is the controlling shareholder of the Company where he owns 1,848,000,315 shares through Pontegadea Inversiones S.L. and Partler Participaciones, S.L.U.

Pontegadea Inversiones S.L.

The company is represented on Inditex's board of directors by Ms Flora Pérez Marcote. It owns 1,558,637,990 shares of the Company, which represents 50.01% of the share capital.

Ms Flora Pérez Marcote is the legal representative of Pontegadea Inversiones S.L., where she holds the position of First Deputy Chair. She has spent her entire career within the Inditex Group, where she held different positions in areas relating to both design of products and the supply chain. In addition, she has broad experience as company director since 1992. She has been a member of Inditex's board of directors since 2005 representing Pontegadea Inversiones, S.L. Additionally, she has been a member of the Board of Trustees of *Fundación Amancio Ortega* since March 2003 and its Deputy Chair since October 2005.

She was appointed to the board of directors on 9 December 2015, ratified at the Annual General Meeting on 19 July 2016 and re-elected at the Annual General Meeting held on 14 July 2020.

Mr José Arnau Sierra

Inditex's Deputy Chairman since June 2012. Non-executive proprietary director since 2012, representing the founder, Mr Amancio Ortega Gaona.

A law graduate from University of Santiago de Compostela and State Tax Inspector, he has been the chief executive of Group Pontegadea since 2001.

He was the head of the Tax Department and a member of Inditex's Steering Committee from 1993 to 2001, and served on its board of directors from 1997 to 2000. He had previously held different positions within the Tax Administration. He has been a member of different boards of directors as legal representative of Pontegadea Inversiones, S.L. From 1993 to 1996, he taught Tax Law at the University of A Coruña. He has been a member of the Board of Trustees of *Fundación Amancio Ortega* from inception and its Executive Deputy Chair since 2017.

He was appointed to the board of directors in June 2012, ratified at the Annual General Meeting held on 17 July 2012 and re-elected at the Annual General Meeting held on 18 July 2017.

He directly owns 30,000 shares.

(3) NON-EXECUTIVE INDEPENDENT DIRECTORS

Mr José Luis Durán Schulz

Independent director since July 2015.

Mr Durán holds a degree in Economics and Management from ICADE. From 1987 through 1990, he was an auditor at Arthur Andersen. In 1991, he joined Carrefour Group, where he held the following positions: Head of Management Control (Spain, Europe and Latin America) (1991-1997); Chief Financial Officer for Spain (1997-2001); Group Chief Financial Officer (2001-2005) and Group Chief Executive Officer (2005-2008).

In July 2009, he joined Maus Frères International Group, based in Switzerland, where he held the following positions, until January 2015: Chief Executive Officer of Lacoste, Executive Chairman of Gant and Board member of Aigle, S.A. Until 4 October 2015, he was member of the Governance, Remuneration and Nomination Committee at Unibail-Rodamco, and member of the Board of Directors of such company. Until 30 June 2017, he was an independent director and member of the Audit Committee of Orange. At present, he is the CEO of Value Retail Management.

Mr Durán was elected as a director at the Annual General Meeting held on 14 July 2015 and re-elected at the Annual General Meeting on 16 July 2019.

He is the direct holder of 3,106 shares.

Mr Rodrigo Echenique Gordillo

Independent director since July 2014. Mr Echenique is a law graduate from Complutense University of Madrid and Spanish State Attorney [*Abogado del Estado*].

At present, he is the Chair of Fundación Banco Santander and a member of the board of directors of Banco Santander International (BSI) and non-executive director of Directorio Santander Chile.

He is a member of the Board of Trustees of Fundación Consejo España-EE.UU, Deputy-Chair of the Board of Trustees of Teatro Real, member of the Board of Trustees of Escuela Superior de Música Reina Sofía, of Fundación Empresa y Crecimiento and of Fundación ProCNIC y CNIC.

From 1987 through 2020, he served on the board of directors of Banco Santander, S.A. He has been CEO, Deputy Chairman and Executive Director of Banco Santander, S.A., and has chaired Santander España and Banco Popular. He also served as Deputy Chairman of Banco Banif, S.A., Chairman of Allfunds Bank, and of SPREA. He has been a member of the board of directors of Santander Investment. He has been Ordinary Member of the board of directors of different industrial and financial companies such as Ebro Azúcares y Alcoholes, S.A., Industrias Agrícolas, S.A., SABA, S.A. and Lar, S.A.

Mr Echenique chaired the Social Advisory Board of University Carlos III of Madrid. Additionally, he was first member and then Chairman of the Advisory Board of Accenture, S.A., Lucent Technologies, and Quercus y Agrolimen, S.A. He has been the Chairman of Vallehermoso, S.A., Vocento, S.A., NH Hotels Group, Metrovacesa, S.A., and Merlin Properties SOCIMI, S.A.

Mr Echenique was elected to the board of directors at the Annual General Meeting held on 15 July 2014 and re-elected at the Annual General Meeting held on 17 July 2018.

Bns. Denise Patricia Kingsmill

Independent director since July 2016.

In 2000 she was awarded a CBE for services to Employment Law and Competition. In June 2006, Baroness Kingsmill was appointed to the House of Lords as a Labour Peer. She is a Member of the Select Committee on Economic Affairs.

After a 20 year legal career she became deputy chair of the Competition Commission between 1996 and 2004. She has 5 honorary Doctorates from universities in the United Kingdom.

Baroness Kingsmill has been a Chair/member of the Remuneration committees of many international companies. As a lawyer she has advised in relation to remuneration schemes. In 2001 she was invited by the Government to head a task force looking at women's employment and remuneration in the UK.

In 2003 she was appointed Chairman of the Department of Trade and Industry's Accounting for People task force. She headed a second Government enquiry ("Accounting for People") into how companies should evaluate and measure the contribution of their work forces and specifically as to how they should communicate their progress in this area of "Human Capital Management" to all their stakeholders (www.accountingforpeople.gov.uk). In 2013 she was the co-chair of the Design Commission report into Design and Public Services ("Re-starting Britain").

Until May 2018, Baroness Kingsmill was the Chair of Monzo Bank and a Member of the Supervisory Board of E. ON SE. She is currently a member of the Advisory Board for the Global Sustainability Forum and the International Advisory Board of IESE Business School. She has recently been appointed a UK representative on the NATO Parliamentary Assembly.

Baroness Kingsmill has been an adviser to a number of international companies and has been a non-executive director of various British, European and American boards, including International Consolidated Airlines Group, S.A. and Telecom Italia.

A diverse and varied career spanning fashion and design, the law and regulation, as well as politics and people have given Baroness Kingsmill a unique perspective on the contemporary boardroom.

Baroness Kingsmill was elected as a director on 19 July 2017 at the Annual General Meeting and re-elected at the Annual General Meeting held on 14 July 2020.

Ms Anne Lange

Independent director since December 2019.

A French citizen, Ms Lange is an entrepreneur and a sought after C-level business advisor with over 25 years of experience in technology innovation, both private & public sectors. She is graduated of French Grandes Écoles, Institut d'Études Politiques in Paris and École Nationale d'Administration (ENA).

Her career began at the French Prime Minister's office as head of department for state-owned

broadcasting companies until she joined Thomson, a high-tech champion, where she built up a new generation of consumer internet access devices. Anne worked in diverse global executive functions with Cisco since 2004, based out of France and Silicon Valley. As a C-level executive, her engagements centered on adoption and innovation of technological, organizational and business processes to drive business transformation. Ms Lange is the co-founder and former CEO of Mentis Services, an IoT Data Intelligent Software provider of urban space services. She is currently the founder and managing partner of Adara, a consulting company that provides senior-level advice in transformation strategy and an investor in start-ups.

She currently serves on the executive boards of Orange (French leading service provider), Pernod-Ricard (second largest wine and spirits company in the world) and Peugeot Invest (Peugeot's family holding).

She was appointed non-executive independent director by the Board of Directors in the meeting held on 10 December 2019 and ratified at the Annual General Meeting held on 14 July 2020.

Ms Pilar López Álvarez

Independent director since July 2018.

Ms López has a Bachelor of Science in Business Administration and a Major in Finance from ICADE. She has worked in a variety of roles at J.P. Morgan in Madrid, London and New York (1993-1999). She joined Telefónica in 1999, where she held the following positions: Head of Management Planning and Control (1999-2001), Financial Controller in Telefónica Móviles (2001-2006), Strategy Director in Telefónica de España (2006-2007), Chief Financial Officer of O2 Plc., based in the UK (2007-2011) and for Telefónica Europa based in Madrid (2011-2014), and Head of the Operational Simplification Program of Grupo Telefónica (2014-2015).

She has served as Supervisory Board member of Telefónica Czech Republic AS (2007-2014), and as Vice Chairman of the Supervisory Board of Telefónica Deutschland Holding AG (2012-2015). She was a member of the Board of Tuenti Technologies and non-executive director of Ferguson Plc (2013-2018). She was a member of the Board of Trustees of Fundación ONCE, and a member of the board of directors of Asociación para el Progreso de la Dirección (APD).

She was the Chair of Microsoft Ibérica S.R.L. At present, she is the Deputy Chair of Microsoft Western Europe.

Ms López was elected to the board of directors at the Annual General Meeting held on 17 July 2018.

She directly owns 4,000 shares of the Company.

Mr Emilio Saracho Rodríguez de Torres

Independent director since June 2010.

Mr Saracho is a graduate in Economics from Complutense University of Madrid, he has an MBA from the University of California in Los Angeles (UCLA), awarded in 1980. He was also a Fulbright scholar. Mr Saracho began his career in 1980 in Chase Manhattan Bank, where he was responsible for operations

in different sectors such as Oil and Gas, Telecommunications and Capital goods. In 1985, he took part in the launching and implementation of Banco Santander de Negocios, where he led the Investment Banking division. In 1989, he was appointed head of the Division of Large Companies of Grupo Santander and Deputy General Director. He has been a director of FISEAT, Santander de Pensiones and Santander de Leasing. In 1990, he worked for Goldman Sachs in London as co-head of Spanish and Portuguese operations. In 1995, he returned to Santander Investment as General Director in charge for the Investment Banking area worldwide. From 1996 to 1998, he was responsible for the Banking operations in Asia. Mr Saracho joined J.P. Morgan in 1998 as Chairman for Spain and Portugal and head of business for the Iberian Peninsula and member of the European Management Committee. From early 2006 through 1 January 2008, he was Chief Executive Officer of J.P. Morgan Private Bank for Europe, the Middle East and Africa, based in London. He also sat on the Operating Committee and on the European Management Committee, while chairing at the same time J.P. Morgan in Spain and Portugal. He was in charge of Investment Banking operations of J.P. Morgan for Europe, the Middle East and Africa, and sat on the Executive Committee of the Investment Bank and on the Executive Committee of JPMorgan Chase. From December 2012 through April 2015, he was Deputy CEO for EMEA. From 2015 to the end of 2016, he was Vice Chairman of JPMorgan Chase & Co and from February to June 2017, he chaired the Board of Directors of Banco Popular.

At present, he sits on the Board of Directors of International Consolidated Airlines Group, S.A. (IAG) and is Senior Advisor of Altamar Capital Partners.

Mr Saracho was elected as director on 13 July 2010 at the Annual General Meeting and re-elected at the Annual General Meetings held on 14 July 2015 and 19 July 2019.

AFFILIATE DIRECTORS

Identify affiliate directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
-	-	-	-
Total number of affiliate directors			-
% of all directors			-

Indicate any changes that have occurred during the period in each directorship type:

Name or company name of director	Date of change	Previous directorship type	Current directorship type
-	-	-	-

Remarks

As described in section C.1.2 above, in 2021 Mr Crespo stepped down from the board as executive director. However, the subsequent appointment of Mr García to the board through the co-option system as new executive director, to fill the board vacancy created following Mr Crespo's resignation, entails that as at year end, the percentage of executive directors out of all board members remains the same.

As described in section C.1.2 above, the board of directors acknowledged in 2021 the resignation tendered by Mr Isla as executive director, effective as of 31 March 2022. In view of the board vacancy following his resignation, the board of directors further resolved to appoint through the co-option system, Ms Marta Ortega Pérez to the board as proprietary director and Chair thereof. Such appointment will become effective on 1 April 2022.

C.1.4 Complete the following table with information relating to the number of female directors at the close over the last 4 years, as well as their directorship type:

	Number of female directors				% of total director of each type			
	FY2021	FY2020	FY2019	FY2018	FY2021	FY2020	FY2019	FY2018
Executive	0	0	0	0	0	0	0	0
Proprietary	1	1	1	1	33.3%	33.3%	33.3%	33.3%
Independent	3	3	3	2	50%	50%	40%	20%
Affiliate	0	0	0	0	0	0	0	0
Total	4	4	4	3	36.36%	36.36%	36.36%	33.33%

Remarks

In the meeting held on 29 November 2021, the board of directors resolved, following a favorable report of the Nomination Committee on the motion raised by Mr Isla and Mr Ortega, to appoint Ms Marta Ortega Pérez to the board of directors through the co-option system, effective as of 1 April 2022, as proprietary director to fill the board vacancy resulting from Mr Isla's resignation.

Following Ms Ortega's appointment to replace Mr Isla, the percentage of women out of all board members will be 45.45%. Thus, if the structure and/or size of the board of directors is not subject to any change, the 40% target for female representation on the board, set in the company's internal regulations since 2020 pursuant to Recommendation 15 GGC, will be exceeded.

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

Yes No Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse board membership.

If the company does not apply a diversity policy, explain the reasons why.

Description of the policies, objectives, measures, how they have been enforced and the results achieved

Inditex's Diversity of Board of Directors Membership and Director Selection Policy ("**Diversity of Board of Directors Membership and Director Selection Policy**") was originally approved by the board of directors in the meeting held on 9 December 2015 and amended in part first at the board meeting held on 14 December 2020, for the purposes of aligning its provisions with the language of the revised GGC approved by CNMV's board on 25 June 2020, and more recently at the board meeting held on 8 June 2021 exclusively to align its wording with the new section 529 *bis* LSC, introduced by Act 5/2021. Under such new section, only natural persons can serve as board members.

The Policy provides guidelines to guide the board of directors and the Nomination Committee's proceedings in the field of director selection and thus (i) ensure that the search and selection processes as well as the motions on the appointment, re-election or ratification of directors are based on a prior analysis of the needs of the Company and the competences required by the board; (ii) favour diversity of knowledge, skills, experience, geographic origin, age and gender of directors; (iii) ensure an appropriate composition of the board and its committees, facilitating the appropriate discharge of the duties they are called upon to perform; and, (iv) contribute to talent attraction in the Inditex Group, making efforts to ensure that the best professionals serve on its governing bodies. The Policy observes and follows both the recommendations laid down in the GGC and the overarching principles and guidelines of CNMV's Technical Guide 1/2019 on nomination and remuneration committees ("**Technical Guide 1/2019**").

With regard to gender diversity, the female representation target on the board of directors provided in Recommendation 15 GGC is covered in the Policy. The Company has thus endorsed the commitment to ensure that the number of female directors should account for at least 40% of all board seats by the end of 2022 and not less than 30% prior to that date.

In line with the provisions of the Diversity of Board of Directors Membership and Director Selection Policy, the terms of reference of board committees also reflect the board's commitment to encouraging a diverse membership in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or origin, age and gender, taking into account the restrictions that are a result of their smaller size.

In this regard, the board of directors resolved in the meeting held on 8 June 2021, following an explanatory report issued by the Remuneration Committee, to amend in part the terms of reference of this latter for the purposes, inter alia of extending diversity yardsticks upon considering the committee's membership, in line with the language of the terms of reference of all remaining board committees.

In addition to the above referred Policy, the Inditex Group also relies on a Diversity and Inclusion (D&I) Policy, originally approved by the Board of Directors on 12 December 2017 and amended in part in the meeting held on 14 December 2020.

The D&I Policy seeks to fully endorse the regulatory requirements, recommendations and best practices in the area of diversity and inclusion, and mark Inditex's commitment to diversity and multiculturalism in the working environment, in all positions and levels within the company, including on the board of directors, and its commitment to champion a culture of inclusion, equal treatment and respect, advocating for equitable workplace environments within the scope of its zero tolerance policy against any kind of discrimination. In particular, the Policy fully endorses, in line with Recommendation 14 GGC, the company's commitment to favouring diversity among Senior Managers and namely gender diversity, as the board of directors and the Nomination Committee are fully committed to encourage the Company to have a significant number of female senior managers.

The board of directors is the driving force behind this commitment of the Group at its highest level and its employees to diversity, and it shall ensure that action is taken to encourage diversity within the organization as well as ensuring the absence of any manner of discrimination, in particular gender-based discrimination, upon electing board members or senior managers.

The board of directors is ultimately responsible for the company's management and is entrusted with guiding its policies. Thus, being the driving force behind this high-level commitment, it shall ensure that action is taken to ensure compliance with the D&I Policy at all levels within the organization and by all employees.

The principles and action lines of the D&I Policy govern all the proceedings of the Company, in particular in the area of human resources: recruitment and selection of candidates, compensation and benefits, promotions, transfers, skills enhancement, professional development and training, demotions, terminations and other disciplinary actions.

Meanwhile, pursuant to the Code of Conduct and Responsible Practices of the Inditex Group, no one who is employed at Inditex shall be discriminated against because of their gender, and all employees shall be bound to interact with other employees, pursuant to criteria of respect, dignity and justice, taking into account the different cultural background of each individual, without allowing any manner of violence, harassment or abuse in the workplace, or any manner of discrimination on account of race, religion, age, nationality, gender or any other personal or social condition beyond qualifications and capacity.

With regard to a balanced and diverse board membership, the Annual General Meeting held on 13 July 2021 resolved on the proposal of the Nomination Committee pursuant to agenda item 5, to re-elect Mr José Arnau Sierra to the board of directors as non-executive proprietary director. Such re-election was subsequently approved by the board of directors on 8 June 2021, on the proposal of the Nomination Committee.

The re-election of Mr Arnau was based on the prior analysis of the needs of the company and the board of directors itself, the findings of which were written up in an explanatory report approved by the Nomination Committee on 7 June 2021, in accordance with Recommendation 14 GGC and sections 3, 4 and 5 of Technical Guide 1/2019 as well as section 5 of the Diversity of Board of Directors Membership and Director Selection Policy.

In said analysis, the Nomination Committee took into account, without limitation: (a) the findings of the annual evaluation of the performance of the board of directors for 2020; and (b) the commitments undertaken by the Company, pursuant to the Diversity of Board of Directors Membership and Director Selection Policy with regard to: (i) the diversity of background, experience, skills and gender on the board of directors, and (ii) the achievement of the representation target for the least represented gender on the board, set in Recommendation 14 GGC.

As shown in the above referred report, further to the review of the size, composition, skills and effectiveness of the board of directors at the time, the Nomination Committee considered that with its current composition and structure the board of directors had achieved an appropriate balance and stability materialized in: (i) a balanced presence of men and women on the board, as female representation has been gradually increasing over the past years, and the current percentage of women on the board is close to reaching the new 40% target set by the board of directors before 2022; and, (ii) an appropriate balance of skills and experience that befits the interests of the company and its Group.

In particular, it was established that board members as a whole had accredited abilities, competences, experience and merits: (i) regarding the Company itself, the Group, and the retail sector; (ii) in economy and finances, accounting, audit and risk management matters, including both financial and non-financial ones; (iii) in regulatory compliance and corporate governance matters; (iv) in the digital and new technologies sector; (v) in sustainability; (vi) in different geographical markets; and (vii) in management, leadership and business strategy.

The findings of the Nomination Committee were confirmed in an explanatory report approved by the board of directors on 8 June 2021 covering the motion on the re-election of Mr Arnau to the board pursuant to section 529 *decies*(5) LSC, section 23.1 of the Board of Directors' Regulations and the Diversity of Board of Directors Membership and Director Selection Policy.

Based on the foregoing, the board of directors found in the above referred explanatory report dated 8 June 2021, that the re-election of Mr Arnau to the board of directors as proprietary director contributed in terms of diversity and considered as a whole, to maintaining and reinforcing:

- (i) A diverse board membership in terms of competences, personal skills, sector-specific knowledge, professional experiences, age and origin, contributing in particular, to maintaining the presence of Spanish citizens on the board.
- (ii) The presence on the board of profiles with proven experience and sound knowledge of the Company, the Group (including of its business model and its governance regulations), and generally, of the retail sector.

At a later stage, the company's governance structure underwent a significant change in 2021, completing the generational handover process driven by the Executive Chairman, Mr Isla, and the founder, controlling shareholder and director, Mr Ortega, to ensure that the succession of the chair takes place in an orderly and planned manner.

Thus, in the meeting held on 29 November 2021, the board of directors passed by unanimous vote, following a favorable report of the Nomination Committee, the following resolutions, inter alia:

- To acknowledge the resignation tendered by Mr Pablo Isla Álvarez de Tejera as Chairman and member of the board of directors and its Executive Committee, effective as of 31 March 2022. Mr Isla will remain the Chairman of the company until that date.
- To co-opt Ms Marta Ortega Pérez to the board of directors as proprietary director, to fill the vacancy created following the resignation tendered by Mr Isla from his position as Chairman, and to appoint her (non-executive) Chair of the board of directors, effective as of 1 April 2022.

- To acknowledge the resignation tendered by Mr Carlos Crespo González from his position as CEO and member of the board of directors and its Executive Committee and to appoint him as COO & Head of Digital and Sustainable Transformation. His resignation and subsequent appointment will be effective immediately.
- To acknowledge the resignation tendered by Mr Óscar García Maceiras as General Counsel and Secretary of the board and its committees, and to co-opt him to the board as executive director and CEO. His resignation and subsequent appointment will be effective immediately.

The above referred co-options to the board of directors were based on the prior analysis of the Company's needs and of the competences required by the board, written up in the relevant explanatory report approved by the Nomination Committee on 29 November 2021, pursuant to Recommendation 14 GGC and sections 3, 4 and 5 of CNMV's Technical Guide 1/2019.

In its report, the Nomination Committee considered, inter alia, that favouring gender diversity should be an immediate priority for any future director selection, to complete the process of achievement of targets set for 2022, without disregarding however, that all elections must be made based upon suitability and merit yardsticks.

Thus, based upon the analysis of the Nomination Committee, the restructuring process carried out in 2021 has contributed to:

- reinforcing diversity of directorship types, ensuring a majority presence of non-executive directors and a representation of proprietary directors that ensures the existence of effective counterweights and the alignment of board decisions with shareholders' interests.
On the other hand, the actual separation of the position of Chair of the board of directors and chief executive, with a new non-executive Chair and a CEO, effectively reduces any potential risk of power concentration.
- Reinforcing female representation.
Although as at year end, female directors account for 36.36% of all board seats, as of 1 April 2022, date when the appointment of Ms Marta Ortega Pérez will become effective, the percentage of female representation will stand at 45.45%, thus surpassing the 40% target set for 2022;
- a progressive board refreshment, combined with the presence on the board of directors with proven experience and sound knowledge of the company, the Group and its business.
The appointment of Mr García and Ms Ortega represents a generational handover while at the same time, Inditex's values are upheld, thus ensuring the stability of the project, considering the career of both new directors.
Moreover, both appointments have contributed to significantly reduce the average age of directors, as well as their average tenure; and
- reinforcing experience in areas such as digital transformation, sustainability, compliance, corporate governance and the relationship with regulators, as well as in leadership commercial strategy management, in particular as regards product, design, innovation and brand image, which are key strategic priorities for the Company.
With such composition, the committee considers that an appropriate balance of skills and experiences exists on the board, that serves the interests of the Company and the Group, as directors with a solid experience and knowledge of the Group, its business and generally the

retail sector sit with others with education, competences and experiences in other fields and industries. All of which contributes to the appropriate exercise of the oversight duty entrusted to the board of directors.

Based on all the foregoing, the Nomination Committee has considered that Inditex meets the targets and fulfils its commitment to diversity provided in the Diversity of Board of Directors Membership and Director Selection Policy and the remaining internal regulations.

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior managers:

As explained in detail in section C.1.5 above, the Group relies on the Diversity of Board of Directors Membership and Director Selection Policy and the D&I Policy, both of which reflect the company's commitment to encouraging diversity, in particular gender diversity. Notwithstanding this, the role that the Nomination Committee plays in this area is addressed below.

Pursuant to the section 529 *bis*(2) LSC, the board of directors shall ensure that gender, experiences and knowledge diversity is encouraged in recruitment processes of directors, which should not suffer from any implicit bias that may entail any discrimination and particularly, that selection of female directors is fostered.

The role that the Nomination Committee plays in this field is summarized below.

Pursuant to the provisions of section 16.2(b) of the Board of Directors' Regulations, and section 5.3(b) of the Nomination Committee's Regulations, one of the basic responsibilities of the Nomination Committee shall be: *"to seek an appropriate composition and a diverse membership on the board of directors and its committees in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and in particular, gender."*

According to the Diversity of Board of Directors Membership and Director Selection Policy, the Nomination Committee must set a representation target for the least represented gender on the board and provide guidance on how to meet such target. In this regard, pursuant to section 6(d) of the terms of reference of the Nomination Committee and the Diversity of Board of Directors Membership and Director Selection Policy, women should account for at least 40% of all board seats by the end of 2022. Under no circumstances shall such percentage be less than 30% at any given time before the expiry of such deadline

Likewise, section 22.1. of the Board of Directors Regulations and section 6(c) of the Nomination Committee's Regulations provide that both the board and such committee shall ensure that upon filling new vacancies or upon appointing new directors, selection procedures shall ensure the absence of any manner of discrimination.

Meanwhile, pursuant to section 13 of the Board of Directors' Regulations, section 5.3.(b) of the Nomination Committee's Regulations and the provisions of the Diversity of Board of Directors Membership and Director Selection Policy, the Nomination Committee is responsible for seeking an appropriate composition and a diverse membership on the board of directors and its committees in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and in particular, gender, taking into account the restrictions that are a result of the smaller size of the Committee.

Last, pursuant to section 5.3(e) of its terms of reference, the Nomination Committee shall be responsible for *"issuing a report regarding the motions to appoint and to dismiss senior managers, supporting the existence of a significant number of female senior managers in the company"*.

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

Three directors were appointed to the board in 2021. One of them, Mr José Arnau Sierra was re-elected, as his term of office came to an end in the year, whereas the other two, Mr Óscar García Maceiras and Ms Marta Ortega Pérez were co-opted to the board to fill vacancies.

As explained in detail in section C.1.5 above, the Annual General Meeting held on 13 July 2021 resolved on the proposal of the Nomination Committee to re-elect Mr Arnau to the board of directors as non-executive proprietary director.

His re-election was based on the prior analysis of the needs of the company and the board of directors itself, the findings of which were written up in an explanatory report issued by the Nomination Committee on 7 June 2021, and which were subsequently endorsed by the board of directors in a report dated 8 June 2021 covering the motion on the re-election of the above referred director. Both reports and their findings have been addressed in detail in section C.1.5 above.

Pursuant to section 4 of the then applicable Director Selection Policy, the above referred reports and the explanatory report of the needs of the board of directors were posted on the corporate website at the time that the 2021 Annual General Meeting was called.

As explained in detail in section C.1.5 above, the board of directors resolved on 29 November 2021, following a favourable report of the Nomination Committee and exercising the power provided for in section 529*decies* LSC and in article 24.3 of the Articles of Association, to fill the following board vacancies:

- The one which will arise on 1 April 2022 on account of the resignation tendered by Mr Isla, with the election of Ms Ortega to the board of directors as proprietary director and new (non-executive) Chair of the Board of Directors, effective as of said date.
- The vacancy created by the resignation from the board and consequently from his position as CEO, tendered by Mr Crespo on 29 November 2021, effective immediately, and the appointment of Mr García as new executive director and CEO, also effective immediately.

The Nomination Committee has played an active role regarding the appointment of the 2 new directors via the co-option system, which shall be confirmed at the upcoming Annual General Meeting, even though they were made on the motion raised by the Executive Chairman, Mr Isla and the founder and director, Mr Ortega, within the scope of an orderly and planned succession of the Chair. In this regard, the committee began by reviewing the competences and skills that the board of directors needs to include or reinforce, considering the Company's strategic priorities and challenges, current and future, in particular, (i) appraising the knowledge, experience and competences required to understand the business and its main risks and ensure its smooth running; and (ii) with regard to the addition of female directors who meet the profile sought, to encourage gender diversity on the board. The findings of such analysis were written up in the relevant explanatory report approved by the Nomination Committee on 29 November 2021, pursuant to Recommendation 14 GGC and sections 3, 4 and 5 of CNMV's Technical Guide 1/2019. Likewise, in line with best corporate governance practices, and pursuant to the provisions of section 6.1 of the Diversity and Director Selection Policy, the Committee engaged an external advisor, Heidrick&Struggles, to carry out the analysis of the suitability of the proposed candidates out of a selection of profiles included in a list of potential directors.

Based on the foregoing, it can be inferred that the motions on the re-election and appointment of directors were consistent with the analysis on the needs of the board and the Company itself, and that the Nomination Committee has established that directors with a wide knowledge of business sit on the board, together with others with background in other industries, and that in general, board membership is diverse in terms of experiences and career – both domestic and international – age and gender.

Based on all the foregoing, the Nomination Committee considered that the re-election and appointment process carried out by the Company in 2021 is aligned with the terms and goals set in the Diversity of Board of Directors Membership and Director Selection Policy, observing its overarching principles, as such process has been based on a prior analysis of the needs of the company and the Board of Directors, and has contributed to encouraging a diverse membership on the board and its committees, in particular gender diversity, seeking to ensure an appropriate board membership and contributing to talent attraction.

C.1.8 Where applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

No proprietary directors have been appointed at the request of shareholders with less than a 3% equity interest.

Name or company name of shareholder	Reason
-	-

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes No

Name or company name of shareholder	Explanation
-	-

C.1.9 Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Mr Pablo Isla Álvarez de Tejera	Executive Chairman
Mr Óscar García Maceiras	CEO

Mr Pablo Isla Álvarez de Tejera, Executive Chairman, and Mr Óscar García Maceiras, CEO, have been delegated each and every one of the powers contained in the list included further below, and these must be exercised in the following manner and conditions: all of them individually, without distinction, with the exception of those included in sections 4 to 6 (both inclusive) and which entail undertaking in excess of a given amount or disposal of funds in excess of a given amount; in such case either of the executive directors must act jointly with another person who, by virtue of any legal title, is also empowered with the power in question.

At any rate, the prior resolution of the Board of Directors or, where delegated, of the Executive Committee, shall be required in the event of transactions, proceedings or agreements which (i) entail the acquisition, disposal or encumbrance of real property of the company, or of any manner of industrial or intellectual property rights of the company, or of shares or interests held by the Company, above a given amount; or which (ii) regardless of their nature, entail the assumption of payment commitments in excess of a given amount. Certain types of financial or treasury transactions, proceedings or agreements are excepted from the requirement of a resolution of the Board, as the joint action referred to above will suffice.

At any rate, the requirement of joint action and/or of a prior resolution of the Board of Directors shall not apply when it involves transactions, proceedings or agreements which are, regardless of the amount involved, carried out or awarded between companies belonging to the INDITEX Group, understanding as such those companies, whether Spanish or foreign, in which Inditex holds, whether directly or indirectly through other investee companies, at least 50% of the share capital, in which case both the Executive Chairman and the CEO may act individually, for and on behalf of the company, regardless of the amount involved in the matter in question.

List of powers:

1.- To appear and represent the company vis-à-vis all manner of authorities, institutions, agencies, departments and offices of the General State Administration, Central or Peripheral Government, Autonomous Communities, Provinces, Municipalities, of the Institutional, Corporate or Independent Administration, whether Spanish authorities or authorities from a foreign State, or of the European Union, including vis-à-vis any manner of Public Registries and, in general, before any entity or public or private person, whether domestic or foreign. To sign and lodge all manner of applications and petitions; and, in general, to exercise such powers as may be required for the management and defense of the rights of the company.

2.- To sign, send, receive and collect from the postal and telegraph authorities or offices ordinary or registered postal or telegraph correspondence, declared value items and postal and telegraphic money orders. To file any relevant claims before said authorities or offices and, where appropriate, collect the related indemnity payments.

3.- To verify consignments of all kinds of merchandise and goods by land, sea or air, and to receive those addressed to the Company. To file the relevant claims against railroad, shipping companies or airlines, or against carriers in general for breakdowns, delays, losses or any other breach of the transportation agreement, and to collect the indemnity agreed with the same or set by the courts. To sign agreements and arrangements of all types with carriers, travel agencies, hotels, restaurants and other persons or entities who take part in the transport of individuals or in the sphere of the hotel and catering industry.

4.- To claim and collect amounts owing to the Company for whatever reasons and to sign the appropriate receipts. To make payment. To render and require the rendering of accounts and to challenge or approve said accounts. To provide, cancel and recover all manner of bonds and deposits, including those at/of the General Savings Deposit and its branches.

5.- To execute all manner of acts and contracts for valuable consideration relating to property of all kinds, whether movable and real property, rights, securities, shareholdings, shares, interests, at such prices, for such considerations, under such terms, for such periods and under such provisions, terms and conditions as are deemed appropriate.

Specifically, without limitation:

- To acquire, assign, grant and dispose of or transfer for whatever title for valuable consideration, including that of a court-ordered sale in lieu of payment, all manner of property, whether movable or real property, rights, trademarks and other distinctive signs and industrial property on intellectual property rights, securities, shareholdings, shares and interests; take out all manner of compulsory and voluntary insurance; to hire the execution of works, services and supplies of all kinds; to lease as a lessor or lessee, grant or be the recipient of financial leases, sublease as a

sub lessor or sub lessee; to create, amend, acknowledge and extinguish real property rights; including chattel mortgages and mortgages, pledges with or without transfer of possession and any other encumbrance on any manner of property and rights owned by the Company; to carry out groupings of, additions of, divisions of and severances of title to properties, make declarations of new construction work and divisions of real property under the condominium ownership system, establishing the bylaws which shall govern the same, and, generally, to execute any disposals; and to conduct and take part in measurements, surveys and boundary marking, approving the same and executing any certificates that may be issued. Regarding all the above acts and contracts, attorneys in fact may act with the broadest powers in the execution and performance thereof, requiring, where appropriate, whatever is necessary for such purpose, as well as to amend, substitute, cancel, terminate or discharge the same.

- To execute any manner of bank and financial agreements in general, even though they would entail indebtedness of the Principal; do such acts and things as are allowed by bank laws and practice; to act as a plaintiff or defendant in connection with all types of securities and commercial papers.

As an exception to the foregoing, in the exercise of the authority conferred, securities and guarantees may only be granted to other companies belonging to the “INDITEX” Group, and as a result, securities, guarantees, surety insurance or any other security may only be granted to them.

6.- To grant all manner of acts and contracts relating to IT, management, security and communication products, plant and systems, as well as those referring to intellectual property arising out of or related with the same and, in general, any others referring to all manner of movables. Specifically, to acquire, assign, grant, encumber and dispose of or transfer for whatever title, including that of a court-ordered sale in lieu of payment, the aforementioned goods; to lease them as lessee or lessor, to grant or be the recipient of financial leases in respect thereof, or to sublease them as sub lessor or sub lessee; to create, amend, acknowledge and extinguish or cancel real property rights and securities on the movables belonging to the Company. Regarding all the above acts and contracts, the attorneys in fact may act with the broadest powers in the execution and performance thereof, requiring, where appropriate, whatever is necessary for such purpose, as well as to amend, substitute, cancel, terminate or discharge them.

7.- To enter into all manner of agreements for business collaboration, such as franchise contracts, joint-venture contracts, accounts in participation, commercial distribution agreements, license and agency contracts as well as supply agreements and option to purchase agreements associated to the contracts for business collaboration and, in general, in any such agreement that the national and international expansion of the company might require.

8.- To represent the Company in meetings or Annual or Extraordinary General Meetings of any manner of companies and economic interest groupings, uniones temporales de empresas [temporary business partnership] and any other entities, taking the floor therein and casting their vote in the way that they deem appropriate, regardless of the business being transacted, including, without limitation, the following business: incorporation, alteration, merger or split-off, assignment of assets and liabilities, winding-up and liquidation of all kinds of entities and companies, amendment of by-laws and internal regulations, capital increases or reductions, approval of accounts, granting and revocation of powers of attorney, appointment and removal of officers or acceptance of offices to which the principal has been

appointed in any company, proceeding to the relevant statements of disqualification or incompatibility required to accept such appointment and appointing the natural persons who will act on their behalf in the discharge of such office, with all powers inherent therein, replacing the representatives natural persons already appointed, even where the appointment or replacement falls on the attorneys in fact themselves, and generally, exercising on behalf of the Company any rights that it may be entitled to, in its capacity as shareholder. To appear in and grant any deed of incorporation, amendment, merger, split off, assignment of assets and liabilities, winding-up or liquidation of any manner of companies, economic interest groupings, temporary business partnership of companies and any other entities. And for all purposes above, to subscribe such documents, whether public or private, which may be necessary and generally, to do such acts and things which may be required for the full effectiveness and publicity thereof further to their registration with public registries.

9.- To attend in the name and on behalf of the company, meetings, general meetings and assemblies of condominiums or co-owners, taking the floor therein and casting their vote in the way that they deem appropriate, whatever the matter that is being debated and on which resolutions are passed, to accept positions and appointments and, in general, to exercise in the name of the company any rights that it may be entitled to in Condominium Owner Communities, as well as in the meeting they these may hold in compliance with the current Condominium Property Law and other applicable legislation

10.- To appear in deeds of incorporation, alteration, merger or winding-up of all kinds of entities and companies, and attend, on behalf of the Company, assemblies, meetings or ordinary and extraordinary meetings of shareholders, intervening therein and casting their vote in the manner that they deem appropriate whatever the matter that is being debated and on which resolutions are passed, accepting positions and appointments and, in general, exercising in the name of the company any rights that may correspond to it.

11.- To set up the offices, workplaces and buildings of the Company and to organize the services provided therein. To establish branches, hire staff, establishing recruitment and joining terms; to freely appoint and remove the same, including officers and skilled employees; to establish their rights, duties, powers and functions, salary, bonuses and indemnity payments; to agree upon promotions and transfers; and to exercise penalization and disciplinary powers, as well as to act on behalf of the Company before the employees' collective representation bodies and to represent it in the negotiation of agreements or pacts whatever their scope or nature.

12.- To represent the company before any manner of authorities and administrative bodies, of whichever administration, that have authority in labour and Social Security matters, bringing proceedings and claims, requesting or not the suspension of the actions being the subject of the claim, to appear and act in matters pending in which their principal has a direct or indirect interest, in all manner of cases and proceedings, proposing and examining all types of evidence; to request and obtain documents, copies, certificates and transfers; to file, prepare and draft all manner of pleadings, applications, petitions, allegations and claims; and, in general, to carry out all those acts that are necessary in the labour life of the company, to file its registration as a company before the labour authorities and the Social Security, those necessary for and arising out of the hiring of all manner of workers, including applying for and receiving payment of subsidies and allowances, the registration of workers [with the relevant authorities], etc., as well as those actions that are necessary for or are motivated by the amendment or termination of that labour relationship; those that are necessary for or arise out of the training that has to be given to the personnel of the company; statements and payments

of Social Security contributions, requests for postponement and refunds, all that are necessary in the relations of the company with the employment and job-search offices; and, in general, to following the procedures through all its stages and motions, bringing the appropriate actions before the courts or not, until such time as firm decisions are obtained and fully enforced.

13.- To represent the company before all manner of authorities and administrative bodies, of whichever administration, that have authority in respect of Health and Safety at Work and Occupational Hazards, bringing proceedings and filing claims and, in general, carrying out all those actions that may be desirable for the principal company in those cases in which it, directly or indirectly, may have an interest. To carry out all that may be necessary to promote and maintain the safety of the workers in the workplaces, complying with the legislation on the prevention of Labour Risks and other complementary regulatory schemes; to plan and executive the policy for the prevention of risks; to act in the name of the company before the workers and their representative bodies and participating bodies as regards prevention; to draw up and introduce an occupational hazard plan; to organize the prevention service, providing it with the material and human resources that are necessary for it to develop its activity; to contract and to sign arrangements with authorized entities for the provision or acting as external prevention services; to carry out, organize and arrange the carrying out of assessments of risks, medical check-ups and other health check measures and prevention systems; to contract the performance of external labour risk prevention audits and, in general, all those acts that are related to such risks. To proceed to insure common and occupational risks of the workers, signing agreements and association documents with of the Social Security Agencies and Mutual Insurance Companies for Work Accidents and Industrial Diseases of the Social Security, or entities that should replace them in such functions and tasks, reporting or putting an end to, at the appropriate time, those that may have been signed; to accept positions and participate in the governing boards and advisory boards of such entities collaborating in the management of Social Security.

14.- As regards procedural rules, to exercise all those actions that are available to the principal and to waive those brought. To appear before the ordinary and special Courts of Law and Tribunals of all levels and jurisdictions, in all manner of trials, as well as in any kind of voluntary jurisdiction cases, administrative and economic-administrative cases. Consequently, to enter into conciliation agreements, with or without composition settlements, to mediate in pre-court proceedings, to file relevant claims and to answers summons and notifications, to sue, contest or accept, and report or lodge complaints; to file statements and ratify them, request and obtain documents; to request the practice of any proceedings whatsoever including: indictments, imprisonment and releases from prison; to hear notifications, notices, citations and summons, to assert and challenge jurisdictions; to apply for joinder of claims; challenge judges, magistrates and court officials; to propose and examine evidence and submit depositions; to attend court appearances, hearings and meetings and speak and vote, including meetings of creditors in all manner of collective execution proceedings, and may take part in auctions and request the adjudication of goods in partial or total payment of the debt being claimed; to reach a composition in court and outside court, to file and pursue, to the end, the litigation or case through its particular proceedings, possible incidents and appropriate appeals, until such time as firm resolutions, decisions or judgments are obtained and enforced; to take responsibility for the money or goods that are subject to the procedure being followed and, generally, exercising in the name of the company any rights that it may be entitled to.

15.- To compromise and refer to arbitrators all matters in respect of which they are empowered, either in any of the types of arbitration proceedings with the scope and under the requirements provided for

in the Spanish legislation on arbitration, or those types of arbitration proceedings characteristic of international commercial arbitration.

16.- To request that a Notary Public enter into record the minutes, and to serve and receive notices and notarial summons.

17.- To grant powers of attorney, allocating to third parties, in full or in part, the above listed authorities, to revoke the powers granted, and to get copies of all kinds of records and deeds.

18.-To execute as public deeds the resolutions passed by the Annual General Meeting, the board of directors or any other governing body.

Additionally, as described in section C.2.1 below, the Executive Committee holds in delegation all the powers of the board of directors, except for those that cannot be delegated by statute or pursuant to the Articles of Association and those that are necessary for the responsible exercise of the general supervisory function that is incumbent on the board of directors.

C.1.10. Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

As at 31 January 2022, Mr Óscar García Maceiras was a member of the governing body of the following Group companies.

Company name of the group entity	Position	Does the director have executive power?
ZARA BELGIQUE, S.A.	Director	Yes
ITX LUXEMBOURG, S.A.	Director	Yes
PULL & BEAR SUISSE, S.A.R.L.	Director	Yes
ZARA HOME SUISSE, S.A.R.L.	Director	Yes
ZARA SUISSE, S.A.R.L.	Director	Yes
ITX SVERIGE, AB	Director	Yes
INDITEX NORGE, AS	Director	Yes
ITX HELLAS SINGLE MEMBER, S.A.	Director	Yes

C.1.11. List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of listed or unlisted company	Position	Paid or unpaid
Mr Amancio Ortega Gaona	Pontegadea Inversiones S. L	Chair	Paid
	Pontegadea Inmobiliaria S.L	Chair	Paid
	Partler 2006 S.L	Chair	Paid
	Pontegadea GB2020 S.L	Chair	Paid
	Partler Participaciones S.L	Chair	Unpaid
	Fundación Amancio Ortega	Chair	Unpaid
Mr Pablo Isla Álvarez de Tejera	Nestlé, S.A.	Independent director	Paid
Ms Flora Pérez Marcote	Pontegadea Inversiones S. L	First Deputy Chair	Paid
	Pontegadea Inmobiliaria S.L	First Deputy Chair	Paid
	Pontegadea GB2020 S.L	First Deputy Chair	Paid
	Fundación Amancio Ortega	First Deputy Chair	Unpaid
Mr José Arnau Sierra	Pontegadea Inversiones S. L	Second Deputy Chair	Paid
	Pontegadea Inmobiliaria, S.L.U.	Second Deputy Chair	Paid
	Partler 2006 S.L	Second Deputy Chair	Paid
	Pontegadea GB2020 S.L	Second Deputy Chair	Paid
	Pontegadea España, S.L.U.	Joint Director	Unpaid
	Partler Participaciones S.L.	Second Deputy Chair	Unpaid
	Esparelle 2016, S.L.	Sole Director, legal representative of Pontegadea Inversiones S.L.U.	Unpaid

Pontegadea Dieciocho S.L	Sole Director, legal representative of Pontegadea Inversiones S.L	Unpaid
Sobrado Forestal 2014, S.L	Sole Director	Unpaid
Pontegadea France, SAS	Chair, legal representative of Pontegadea Inmobiliaria SLU	Unpaid
Prima Cinco, S.p.a.	Chair	Unpaid
PG Real Estate Interests Ltd	Ordinary member	Unpaid
Pontegadea Inmobiliaria, SA de CV	Chair	Unpaid
Pontegadea Canadá, Inc	Chair	Unpaid
Pontegadea Korea, Inc	Ordinary member	Unpaid
Ponte Gadea USA, INC	Chair	Unpaid
Hills Place, Sarl	Ordinary member	Unpaid
Pontegadea UK, Ltd	Ordinary member	Unpaid
Almack Ltd	Ordinary member	Unpaid
Ponte Gadea Portugal – Investimentos Imobiliários e Hoteleiros, S.A.	Chair, appointed by Partler 2006 SL	Unpaid
Pontegadea Amoreiras – Sociedade Imobiliária, S.A.	Chair, appointed by Partler 2006 SL	Unpaid
Proherre Internacional-Sociedade Imobiliária, Lda	Joint and Several Director	Unpaid
Pontegadea Real Estate, SAS	Chair, legal representative of Pontegadea Inmobiliario SLU	Unpaid
Montaigne Real Estate, SAS	Sole Director	Unpaid
Adelphi Property SARL	Ordinary member	Unpaid
Fongadea Recoletos 7-9, S.L.	Chair	Unpaid

	Daimar de Inversiones S.L.	Sole Director	Unpaid
	Pontel Participaciones S.L.	Ordinary member	Unpaid
	Fundación Amancio Ortega Gaona	Second Deputy Chair	Unpaid
	Fundación Kertor	Trustee	Unpaid
	Fundación Santiago Rey Fernández Latorre	Trustee	Unpaid
	Fundación Bal y Gay	Trustee	Unpaid
Ms Anne Lange	Pernod-Ricard, S.A	Non-executive director	Paid
	Peugeot Invest	Non-executive director	Paid
	Orange, S.A.	Non-executive director	Paid
Mr Rodrigo Echenique Gordillo	Banco Santander Chile	Non-executive director	Paid
	Banco Santander Internacional (BSI)	Non-executive director	Paid
	Fundación Banco Santander	Chair	Unpaid
Mr Emilio Saracho Rodríguez de Torres	International Consolidated Airlines Group, S.A.	Independent director	Paid
	Rustica y Forestal El Socor, S.L.	Chair and CEO	Unpaid
Ms Pilar López Álvarez	Microsoft Western Europe	VP Sales, Marketing, Ops (COO)	Paid

Remarks

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
Ms Anne Lange	Managing Partner at ADARA: a consulting firm that provides senior-level advice to start-ups and in the field of innovation.
Mr Rodrigo Echenique Gordillo	Advisor to Banco Santander (Santander Group)
Mr Emilio Saracho Rodríguez de Torres	Senior Advisor at Altamar Capital Partners
Mr José Luis Durán Schulz	CEO for Europe at VALUE RETAIL MANAGEMENT

C.1.12. Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, where applicable:

Yes No

Explanation of the rules and identification of the document where this is regulated

Pursuant to section 22.2 of the Board of Directors' Regulations, the Board of Directors may not propose or appoint in order to fill a position of director, anyone who holds the office of director in more than 4 listed companies other than the Company at the same time.

C.1.13. Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	21,232
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	9,422
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	-
Pension rights accumulated by former directors (thousands of euros)	=

The amount stated as “*Remuneration of the board of directors (thousand euros)*” corresponds to the aggregate amount shown in section C.1.c) “*Summary of remunerations (thousand euros)*” of the Annual Report on Remuneration of Directors for 2021. Included therein are the fixed remuneration of directors in their status as such, and the fixed and the short and long-term variable remunerations accrued by the Executive Chairman, Mr Pablo Isla Álvarez de Tejera, the new CEO, Mr Óscar García Maceiras and the outgoing CEO, Mr Carlos Crespo González, for the performance of executive functions. In particular:

The amounts of the remuneration accrued by: (i) Mr Pablo Isla Álvarez Tejera, as director and for the performance of executive functions from 1 February 2021 through 31 January 2022; (ii) Mr Óscar García Maceiras, in his status as director and for the performance of executive functions from 1 December 2021, date of economic effect of his appointment as CEO, through 31 January 2022, as well as (iii) Mr Carlos Crespo González, in his status as director and for the performance of executive functions from 1 February 2021 through 30 November 2021, date of economic effect of his resignation.

With regard to long-term or multi-year variable remuneration: included in the above referred global remuneration for directors are the amounts of €4,218 thousand, €70 thousand and €2,633 thousand accrued by the Executive Chairman, the new CEO and the outgoing CEO, respectively, as at 31 January 2022, under the first cycle (2019-2022) of the 2019-2023 Plan. Such Plan materialised in:

- A cash incentive in the aggregate gross amount of (i) €1,760 thousand for the Executive Chairman; (ii) €36 thousand for the new CEO; and (iii) €1,099 thousand for the outgoing CEO.

- An incentive in shares equivalent to the total number of: (i) 112,953 shares, corresponding to the gross amount of €2,458 thousand for the Executive Chairman; (ii) 1,552 shares corresponding to the gross amount of €34 thousand for the new CEO. These are the shares accrued for the period running from 1 December 2021, date of economic effect of his appointment through 31 January 2022; and (iii) 70,499 shares, corresponding to the gross amount of €1,534 thousand for the outgoing CEO. These shares were accrued for the period in FY2021 when he held such position, i.e., from 1 February 2021 through 30 November 2021.

It bears mention that for the purposes of quantifying the part of such incentive to be delivered in shares, the closing price of Inditex share on the last business day of the week before the date when the board of directors assessed and approved the level of target achievement of the the first cycle of the 2019-2023 Plan (i.e. 11 March 2022), was considered. The incentive in cash and in shares will be paid in the month following the release of the annual accounts for FY2022.

With regard to the “*Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousand euros)*”, no contributions to long term savings systems have been made since 2015 and the amount of accumulated funds in such systems reached €9,422 thousand as of 31 January 2022 (pursuant to section C.1.a iii) “Long term saving systems” of the Annual Report on Remuneration of Directors for 2021.

C.1.14. Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position
Ms Lorena Alba Castro	Chief Logistics Officer
Mr José Pablo del Bado Rivas	Director of PULL & BEAR
Mr Carlos Crespo González	Chief Operating Officer & Head of Digital and Sustainable Transformation
Mr Miguel Díaz Miranda	Chief Financial Officer & Chief Operating Officer of ZARA
Mr Jesús Echevarría Hernández	Chief Communication Officer
Mr Ignacio Fernández Fernández	Chief Financial Officer
Mr Antonio Flórez de la Fuente	Director of BERSHKA
Mr Javier García Torralbo	Chief e-commerce Director of ZARA
Ms Begoña López-Cano Ibarreche	Chief Human Resources Officer
Mr Abel López Cernadas	Head of Import, Export and Transport
Mr Marcos López García	Capital Markets Director
Mr Juan José López Romero	Head of General Services and Infrastructures
Mr Javier Losada Montero	Chief Sustainability Officer
Mr Gabriel Moneo Marina	Chief IT Officer
Mr Javier Monteoliva Díaz	General Counsel and Secretary of the Board

Ms María Lorena Mosquera Martín	Director of ZARA HOME
Ms Paula Mouzo Lestón	Chief Audit Officer
Ms Beatriz Padín Santos	Director of ZARA WOMAN
Mr Jorge Pérez Marcote	Director of MASSIMO DUTTI
Mr Óscar Pérez Marcote	Director of ZARA
Mr José Luis Rodríguez Moreno	Director of UTERQÜE
Ms Carmen Sevillano Chaves	Director of OYSHO
Mr Jordi Triquell Valls	Director of STRADIVARIUS
Number of women in senior management	
	6
Percentage out of all senior managers	
	26.08%
Total remuneration of senior management (thousand euros)	
	79,287

Included in the amount stated as “*Aggregate remuneration for senior managers*” is the amount of the fixed remuneration and the variable remuneration accrued by senior managers in financial year 2021, both the short-term variable remuneration and the long-term variable remuneration for the first cycle (2019-2022) of the 2019-2023 Long-Term Incentive Plan.

Under such cycle, the amount of €27,581 thousand were accrued by senior managers as at 31 January 2022 in the framework of the 2019-2023 Plan, materialized in: (i) an incentive in cash in the aggregate gross amount of €13,472 thousand, and (ii) an incentive in shares equivalent to a total number of 648,398 shares, which correspond to the gross amount of €14,109 thousand.

It bears mention that for the purposes of quantifying the part of such incentive to be delivered in shares, the closing price of Inditex share on the last business day of the week before the date when the board of directors assessed and approved the level of target achievement of the first cycle of the 2019-2023 Plan (i.e. 11 March 2022) was considered.

The incentive in cash and in shares will be delivered within the month following the release of the annual accounts for 2021.

Likewise, included in such amount are:

- The remuneration accrued by Mr Óscar García Maceiras for the performance of his duties as General Counsel and Secretary of Board for the period running from 31 March 2021, date when he was appointed to the position through 30 November 2021, date of economic effect of his appointment as new Chief Executive Officer and when he ceased performing senior management duties.
- The remuneration accrued by Mr Carlos Crespo González for the performance of his duties as Chief Operating Officer and Head of Digital and Sustainable Transformation of the Group, for the period running from 1 December 2021, date of economic effect of his appointment until FY2021 year end.
- The remuneration accrued by Mr Javier Monteoliva Díaz, for the performance of his duties as Head of Legal, through 30 November 2021, as well as for the performance of his duties as General Counsel and Secretary of the Board from 1 December 2021 until FY2021 year end.
- The remuneration accrued by Ms Beatriz Padín Santos, Mr Miguel Díaz Miranda and Mr Javier García Torralbo, from 1 December 2021, date on which they began performing senior management duties, following their appointment to the Company's Management Committee, through FY2021 end.
- The remunerations accrued on a pro-rata basis in 2021 by Mr Ramón Reñón Túñez and Mr Antonio Abril Abadín for the time they performed senior management duties in the year, including relevant severance payments.

C.1.15. Indicate whether the Board regulations were amended during the year:

Yes No

In the meeting held on 8 June 2021, the board of directors approved, following a favourable report of the Audit and Compliance Committee, the partial amendment to its Regulations, for the main purpose of aligning its provisions with the regulatory development introduced by Act 5/2021.

The amendments made are addressed below:

- **Amendment to section 15 (“The Audit and Compliance Committee”) in Chapter IV. (“Structure of the Board of Directors”)**

The amendments to this section seek to:

- Adapt the power already assigned to the Committee regarding related-party transactions, in accordance with the new language of section 529*quaterdecies* LSC, introduced by Act 5/2021. The proposed change consists of removing such power from sub-paragraph (g) and adding a new sub-paragraph to cover such power separately.
- Reflect that committee meetings take place on a quarterly basis for the purposes of reviewing the financial information that the Company is going to release to CNMV, whether to fulfil an obligation or of its own accord, following the entry into force of Act 5/2021 under which listed companies are no longer bound to release an interim management statement with regard to each year’s first and third quarter.

- **Amendment to section 19 (“Board meetings”) in Chapter V. (“Proceedings of the Board of Directors”)**

The amendment made sought to relax the system for the board to meet by remote means, for the purposes of allowing virtual-only meetings.

- **Amendment to section 21 (“Election of Directors”) in Chapter V. (“Proceedings of the Board of Directors”)**

With regard to the powers relating to the election of new directors, the reference to natural persons acting on behalf of a director legal person whose appointment is proposed has been removed, as in line with the new wording of section 529bis(1) LSC, no legal person can be appointed as company directors.

- **Amendment to section 34 (“Conflicts of interest”) in Chapter IX. (“Duties of directors”)**

This amendment made seeks to align the system on related parties with the new language of section 231 LSC, introduced by Act 5/2021, revising to such end the percentage that determines a significant shareholding in a company and adding a new conflict of interest situation: that of shareholders represented by a director on the Board of Directors. Likewise, the possibility for directors in a conflict of interest not to have to abstain in such cases provided for in applicable regulations is included.

- **Amendment to section 36 (“Non-public information”) in Chapter IX. (“Duties of directors”)**

The amendment consists of changing the order of paragraphs 2 and 3 for the sake of higher consistency.

- **Amendment to section 40 (“Transactions with directors and significant shareholders”) in Chapter IX. (“Duties of directors”)**

This section has been amended to align its provisions with the system on related-party transactions addressed in the new section 529*duovicies* LSC, introduced by Act 5/2021. Transaction carried out with Group companies in their ordinary course of business and on an arm’s length basis are not subject to the general approval by the board of directors system. Likewise, the value of transactions carried out pursuant to standard framework agreements applied en masse to a large number of clients has been reduced to 0.5%. With regard to this derogation system, the requirement of establishing an internal procedure for information and monitoring overseen by the Audit and Compliance Committee, has been included.

Likewise, a new obligation is added: that of reporting on such transactions under certain circumstances, on the website and to CNMV.

On the other hand, to allow the Company higher flexibility, a derogation has been added with regards to such transactions which, for reasons of urgency, and provided that they are duly supported, must be carried out without the board’s authorisation. Notwithstanding the foregoing, they shall be subsequently submitted to the board for ratification.

- **Amendment to section 42 (“Corporate Website”) in Chapter X. (“Relations of the board of Directors”)**

The opportunity has been seized to introduce some editorial improvements. In particular, the term “Relevant Fact” is replaced with communication of “Other Relevant Information” (*Otra información relevante*) in sub-section (r) in section 42.1, pursuant to the terms introduced in the new Procedure for Disclosing Issuer Information approved by CNMV on 8 February 2020.

- **Amendment to section 44 (“Relations with the Markets”) in Chapter X. (“Relations of the Board of Directors”)**

This section has been amended following the entry into force of Act 5/2021, as companies are no longer bound to release quarterly financial information, in line with the change made to section 15, above referred.

C.1.16. Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The system for the selection, appointment and re-election of members of the board of directors constitutes a formal and transparent procedure which is expressly covered in the Articles of Association, the Board of Directors’ Regulations and the Nomination Committee’s Regulations.

The Diversity and Director Selection Policy referred to in section C.1.5 above, provided guidance on selection of directors for the purposes of guiding the proceedings of the Board of Directors and the Nomination Committee in this area.

The Policy is informed by the Recommendations of the GGC and the overarching principles and guidelines of CNMV’s Technical Guide 1/2019. According to the Policy, the process to appoint, ratify

and re-elect directors shall be guided by the following overarching principles: (i) favouring diversity and search for excellence within the board of directors; (ii) the selection process for prospective directors shall not be tainted by any kind of discrimination and shall follow the merit-based approach; (iii) fulfilling the corporate interest; and (iv) transparency in the process to select prospective directors.

In this regard, the Policy sets forth that the selection, appointment, ratification and re-election of directors shall be based upon a prior analysis of the needs of the Company and the Group, and of the competences required by the board of directors itself. Such analysis shall be carried out by the board of directors on the advice of the Nomination Committee. The board of directors has its own organization and internal proceedings, including: (i) the co-option of directors to fill board vacancies, on the proposal or following a favorable report of the Nomination Committee, as the case may be; and (ii) the election, on the proposal or following report of the same committee, of internal positions and of members of board committees. In turn, the Nomination Committee is responsible for the process to select prospective directors. Pursuant to the Articles of Association, the Board of Directors' Regulations, and its own terms of reference, directors shall be appointed either by the General Meeting of Shareholders or the board of directors, pursuant to applicable laws and the company' regulations on corporate governance.

The motions on the appointment, ratification or re-election of directors submitted by the board of directors to shareholders at the Annual General Meeting, and the appointment resolutions passed by the board of directors via the co-option system in use of the powers it is entrusted by statute shall be made following: (i) a motion raised by the Nomination Committee, as regards independent directors; or, (ii) a report of the Nomination Committee for all other directorship types.

To ensure the appropriate composition of the board of directors at all times, its structure, size and composition as well as the membership of its committees shall be regularly reviewed.

To this end, efforts should be made to ensure that the board of directors has a balanced membership with regard to the different classes of directors, with a large majority of non-executive directors and an appropriate mix of proprietary and independent directors, and an appropriate balance of profiles, knowledge, skills, careers and experiences so that multiple viewpoints are contributed to the discussion of the business transacted and the decision-making process is enriched. In addition, consideration should be given to ensuring a progressive and orderly board refreshment to achieve the objectives set out in the Policy.

As provided in the Policy, the findings of the above referred prior analysis shall be written up in an explanatory report issued by the Nomination Committee, to be posted on the corporate website upon calling the General Meeting to which the nomination, ratification or re-election of each director is submitted.

Prospective directors of the Company shall meet at all times the following requirements:

- Be honest, respectable persons of well-known ability, competence, professional background and experience and merits.

- Be law-abiding and respectful of good marketing practices both in their lives and professional careers and observe the provisions of applicable regulations.
- Be trustworthy professionals whose conduct and career is aligned with the principles and duties set out in Inditex's internal regulations – in particular, in the Code of Conduct and Responsible Practices – and with the views and values of the Inditex Group.
- Be committed to their duties as directors and available to dedicate sufficient time and efforts to meet their board responsibilities.

In the process for the selection of prospective directors, those individuals who meet the requirements laid down in the Policy and who, given their profile and features favour diversity of knowledge, skills, experiences, origin, age and gender on the board of directors, shall be considered, and any implicit bias which might entail any manner of discrimination and specifically hamper selection of female directors shall be prevented.

In order to define the duties and required skills of prospective directors, the Nomination Committee shall review the competences, knowledge, experience and other occupations of current directors serving on the board, and it shall prepare and keep updated a board skills matrix, based upon which it shall define the duties and skills required from candidates who have to fill each vacancy and evaluate the required time and dedication for them to effectively meet their board responsibilities.

Those persons who are involved in any legal grounds of disqualification to be a company director or who fail to meet the requirements laid down by the Company's corporate governance rules to be a director, shall not be eligible to be a director.

In particular, neither the Committee nor the board of directors can propose or appoint as member of the board of directors anyone who serves as a director at the same time in more than four listed companies other than the Company.

The Nomination Committee shall take into account the motions submitted by any director, provided that the prospective candidate meets the requirements to be eligible and the provisions of the Diversity of Board of Directors Membership and Director Selection Policy are observed. For such purposes, it shall take all necessary measures and make all appropriate enquiries to ensure that the candidates are not involved in any of the scenarios described in the foregoing paragraphs.

Likewise, the Company may rely on external advisors to carry out the prior analysis of the needs of the company, and to assess the competences required by the board of directors and the Inditex Group, as well as to search or assess prospective directors or evaluate their performance and/or suitability. It is incumbent on the Nomination Committee to establish and ensure the effective independence of the above referred experts.

The motions or reports on the appointment of directors shall be prepared by the Nomination Committee and include the directorship type assigned to the director, this classification having to be duly supported.

The motions on the election of directors that the board of directors submits to the Annual General Meeting shall be accompanied by an explanatory report issued by the board of directors assessing the qualifications, experience and merits of the proposed candidate; such report shall be attached to the

minutes of the Annual General Meeting or board meetings. Additionally, with regard to the ratification or re-election of directors, the explanatory report shall assess the quality of the director's work and their dedication to office during their tenure as well as their observance of the company's corporate governance rules. At any rate, the Nomination Committee shall take into account the need for progressive board refreshment.

Where the board of directors departs from the motions and reports of the Nomination Committee, it must state the reasons for its actions and place them on record.

The board of directors shall explain to the Annual General Meeting in charge of appointing, ratifying or re-electing directors the directorship type, which shall be confirmed or, where appropriate, reviewed on an annual basis in the Annual Corporate Governance Report, after verification by the Nomination Committee.

With regard to the representation target for the least represented gender on the board and to the guidance on how to meet it, the company has updated the female representation target on the board of directors, in line with Recommendation 15 GGC, as provided in section 5.1.1 of the Diversity of Board of Directors Membership and Director Selection Policy and in section 6(d) of the terms of reference of the Nomination Committee. The company endorses the commitment to ensure that the number of female directors should account for at least 40% of all board seats by the end of 2022 and not less than 30% prior to that date.

The Nomination Committee shall establish on an annual basis compliance with the Diversity of Board of Directors Membership and Director Selection Policy and inform thereof the board of directors, which shall disclose such information in the Annual Corporate Governance Report.

With regard to the removal and dismissal of directors, directors shall vacate office upon expiry of their term of office, or at any time further to a resolution of the General Meeting of Shareholders.

The board of directors may only propose to the General Meeting the removal of an independent director before the expiry of his/her term of office when a just cause arises, where the director has incurred in any grounds for dismissal or resignation pursuant to applicable regulations or to the Company's corporate governance rules. Such just cause must be considered by the board, and in case of independent directors, following a favourable report of the Nomination Committee. In particular, pursuant to section 25.3 of the Board of Directors' Regulations, a just cause will exist when a director holds new positions or assumes new obligations preventing them from making sufficient time available for board meetings and other duties inherent in the office of director; is in breach of the duties inherent in the office or is involved in any of the circumstances leading to them no longer qualifying as independent directors, pursuant to the provisions of applicable regulations. Likewise, removal of a director may be proposed as a result of takeover, mergers or other similar corporate transactions which entail a change in the shareholding structure of the Company, where such change entails in turn another in the structure of the Board of Directors on account of the ratio of proprietary directors.

Furthermore, where a director vacates their office before the end of their term of office through resignation or further to a resolution of the General Meeting of Shareholders, they should state the reasons for such resignation, or with regard to non-executive directors, their opinion on the reasons for the dismissal resolved by the General Meeting of Shareholders, in a letter that must be addressed to all the members of the board of directors. To the extent that this may be relevant for investors, and without prejudice to reporting it in the Annual Corporate Governance Report, the Company, shall announce their

departure in the shortest delay with sufficient reference to the reasons or circumstances provided by the director.

Where directors tender their resignation, the Nomination Committee must ensure the transparency of such process, gathering the information it may deem necessary to this end.

C.1.17. Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organization and in the procedures applicable to its activities:

The Company carries out a process to evaluate the board of directors, its committees and its members, as provided in its internal regulations, in accordance with applicable regulations and the recommendations of the Good Governance Code.

In this regard, following each annual evaluation, a number of recommendations are issued, where appropriate, to improve (i) the quality and effectiveness of the proceedings of the board of directors; (ii) the proceedings and composition of its committees; (iii) the diversity of board membership and powers; (iv) the performance of the Executive Chairman and the CEO; and (v) the performance and input of each director, paying special attention to the chairs of the different board committees and to the Lead Independent Director and the Secretary of the board.

In 2021, the findings of the annual evaluation for the previous year were considered both in the various analysis of board needs carried out by the Nomination Committee in respect of the re-election and appointment of directors resolved in the year, and in the suitability analysis commissioned by the committee and carried out by the external facilitator. In particular, the following findings were established further the evaluation:

- i) The current number of directors was found to be appropriate to facilitate dialogue and interaction among them, and its size was considered to be aligned with the Group's dimensions, complexity and business, and on par with that of comparable companies.
- ii) The Committee appreciated the relevance of keeping and reinforcing within the company's supreme governing body: (i) different profiles and experiences line with the strategic focal points marked as a priority by the Company; (ii) a highly diverse membership on the board in terms of, without limitation, professional experience, competences, personal skills, sector-specific knowledge and age; (iii) a balanced membership of the different directorship types, ensuring the majority of non-executive directors and that the presence on the board of proprietary directors is such as to ensure the existence of an effective counterweight; and, (iv) a progressive board refreshment, combined with the necessary presence on the board of directors with proven experience and sound knowledge of the company, the Group, its business and generally, the retail sector.

In this regard, favouring gender diversity was identified as a priority for any future director selection, without disregarding however, that all elections must be made based upon suitability and merit yardsticks.

As described in detail in section C.1.5 above, in accordance with the above-mentioned analyses, both the re-election of Mr Arnau and the appointment of Ms Ortega as proprietary director and (non-executive) Chair, and of Mr García as executive director and CEO, in line with the directors' insight reflected in the annual evaluation, contribute to: (i) consolidating diversity of directorship types, keeping the balance of proprietary and independent directors and increasing the already wide majority of non-executive directors (90.9%); (ii) reinforcing female representation, as the 40% target set for 2022 has been exceeded; (iii) ensuring the existence of appropriate counterweights, as the positions of Chair of the Board and chief executive are separate; (iv) reinforcing the existence of profiles with a wide experience and knowledge of the Company, its Group, the retail sector, as well as the experience in digital transformation, ESG (which are the focal points of the Company's strategy) and the relationship with regulators, in view of the increasing regulatory pressure in the industry; as well as (v) reducing directors' average age and average tenure.

On the other hand, with regard to the organization and proceedings of the board and its committees, the annual self-evaluation process is a very useful driver of the gradual implementation of required changes, such as:

- i) The improvement of the internal dynamics of the board and its committees as a result of:
 - The appropriate arrangement of board and committees' meetings, via the relevant schedule that allows to systematically arrange the agenda, topics and attendees.
 - In terms of agenda, it has also contributed to (i) greater commitment to strategy-related issues, and (ii) a gradual transformation of board debates and decisions, as topics related to sustainable management and stakeholders' accountability are gaining momentum.
 - An increasing interaction between directors and the management team, as members of this latter are increasingly in attendance at board and committees' meetings.
 - Directors are more regularly updated on business evolution without a need for formal meetings
 - Headway has been made in providing the information earlier in advance as well as in terms of its quality, in the context of a continuous improvement process, thus allowing them to better prepare the meetings and dedicate more time to debate.
- ii) Significant progress regarding directors' training schemes. In 2021, a new action plan was launched, which has been drafted considering directors' concerns and key elements pointed out in the annual evaluation.
- iii) The process for evaluating the board of directors, its members and committees, the Executive Chairman, the CEO, the Lead Independent Director and the Secretary of the board has been automated, as a result of which it has become more effective.
- iv) Significant headway was made in the dynamics of separate meetings held by independent directors under the helm of the Lead Independent Director. Once again, they are deemed to be very useful to exchange their input on highly relevant matters to the Company, align board practices with those of peer companies and consequently

speed up changes in the areas subject to improvement which were identified, enhance the proceedings of the board of directors and its committees.

Such meetings are further considered a very useful practice, as they have served the purposes of determining issues considered to be a priority, with the subsequent scheduling of meetings and proceedings of the board and its committees.

Describe the evaluation process and the areas evaluated by the board of directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Pursuant to the provisions of section 7(a) of the Nomination Committee's Regulations, the committee must establish and oversee an annual programme for evaluating the performance of the board of directors, the Executive Chairman, the CEO, board committees and in particular, following up on attendance of directors at the meetings of the board and the committees where they sit.

Therefore, considering the statutory framework and Inditex's own internal regulations, the evaluation system of the board of directors, its members and committees, the Executive Chairman, the CEO, the Lead Independent Director and the Secretary of the Board is carried out as follows:

1. The Nomination Committee prepares an annual programme for the evaluation of the performance of the duties of the board of directors, its members and committees, the Chairman, the CEO, the Lead Independent Director and the Secretary of the Board.
2. According to this annual programme, each committee has to prepare an evaluation report assessing its performance and that of its members which has to be sent to the board of directors. Contemporaneously, the Nomination Committee must prepare a report to evaluate the performance of the board of directors, the Chairman, the CEO, the Lead Independent Director and the Secretary of the Board.

To carry out this procedure, separate questionnaires are sent to each director, as described below:

- a) An individual self-evaluation questionnaire for each director.
 - b) An evaluation questionnaire on the performance of the committees.
 - c) An evaluation questionnaire on the performance of the board of directors that includes specific questions on the role of the Lead Independent Director and the Secretary of the board of directors.
 - d) A questionnaire on the performance of the Chairman and the CEO.
3. On the other hand, since the Chairman is currently an executive director until 31 March 2022, the evaluation of his performance is coordinated by the Lead Independent Director.

The Nomination Committee also plays an active role in the evaluation of the performance of the Chairman, the CEO and the remaining executive directors, if any.

4. Finally, the board of directors assesses – pursuant to statute and to the Board of Directors' Regulations–, its performance, that of its members and committees, of the Chairman, the CEO, the Lead Independent Director and the Secretary of the Board, based upon the reports issued by these latter, as stated in section 2 above.

The above referred questionnaires are reviewed and updated every year, to align the annual evaluation of the performance of the board of directors, its members and committees and the Chairman with best practices in the field of good governance.

New developments in the evaluation process have been introduced in the year for the purposes of: (i) removing or redirecting certain questions from the previous year about the governing bodies performance during the crisis resulting from the pandemic; (ii) putting the spotlight on Sustainability and non-financial risks, given their increasing relevance and the state of maturity reached by the Sustainability Committee; and, (iii) diversity-related issues are gaining attention.

In addition to the material changes introduced as detailed above, further formal amendments have been made to the questionnaire this year to raise more simple and consistent questions. Special mention is made of the fact that the process has been automatized through the use of a technological platform available to the Directors that ensures information confidentiality, traceability and security.

Last, in accordance with Recommendation 36 of the Good Governance Code, Inditex has relied once again on the advice of external consultant Spencer Stuart in the evaluation process for 2021.

C.1.18. Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

Inditex has relied again in 2021 on consultant Spencer Stuart for advice on the process for the evaluation of the performance of the board of directors, its members and committees, and the performance of the members of board committees, the Executive Chairman, the CEO, the Lead Independent Director, and the Secretary of the board. Other than this specific engagement, Spencer Stuart has no business relationship with Inditex or with any company of its Group.

C.1.19. Indicate the cases in which directors are required to resign.

Pursuant to section 25 of the Board of Directors' Regulations, directors must offer their resignation to the board of directors and effectively resign, should this latter deem it advisable, in the following cases:

- a) When they reach a certain age, under the terms detailed in section C.1.22.
- b) When they cease to hold the executive positions to which their appointment as director was associated.
- c) When they are involved in any of the incompatibility or prohibition cases provided in applicable regulations, the Articles of Association or these Regulations, including if they would happen to hold the office of director in more than four listed companies other than the Company.
- d) When they are seriously admonished by the Audit and Compliance Committee for having breached their duties as directors.
- e) When they are involved in any circumstances affecting them, related or not to their actions within the Company, that may harm the name and reputation of the Company or, otherwise jeopardize the Company's interests. For such purposes, they shall report to the board of directors any criminal charges brought against them as well as any procedural consequences.
- f) When the reasons for their appointment cease.
- g) With regard to proprietary directors, when the shareholders they represent dispose of their ownership interest in its entirety or reduce it up to a limit which requires the reduction of the number of proprietary directors.
- h) With regard to independent directors, when they have continuously held such position in the Company for 12 years.

C.1.20. Are qualified majorities other than those established by statute required for any particular kind of decision?

Yes No

If so, describe the differences.

Description of differences

A qualified majority other than that established by statute is exclusively required to amend the Board of Directors' Regulations. Pursuant to section 3.4 thereof, in order for the amendment of such Regulations to be valid, a resolution passed by a majority of two-thirds of the directors present shall be required.

Apart from this, the scenarios of qualified majority for the passing of resolutions by the board of directors are addressed in article 25.4 of the Articles of Association which reads: "*For resolutions to be passed, an absolute majority of votes by the directors attending the meeting shall be required, except for such cases where a larger majority is required by statute, by these Articles of Association or by the Board of Directors' Regulations. In the case of an equality of votes, the Chairman shall have a casting vote.*" Likewise, article 27.2 of the Articles of Association provides that for the permanent delegation of any power of the board of directors other than non-delegable ones it shall be necessary for two-thirds of those making up the board of directors to vote for the motion, as provided in section 249.3 LSC.

C.1.21. Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes No X

Description of requirements
-

C.1.22. Indicate whether the articles of association or Board regulations establish any limit as to the age of directors:

Yes X No

	Age limit
Chair	68
CEO	65
Director	68

Section 25.2(a) of the Board of Directors’ Regulations provides that directors must offer their resignation to the Board of Directors and effectively resign, should this latter deem it advisable “*When they reach the age of 68. Notwithstanding this, directors who hold the office of Chief Executive Officer or Managing Director shall offer their resignation to the Board of Directors upon attaining the age of 65, being able to continue as ordinary members of the Board of Directors until the aforementioned age of 68. As an exception, the foregoing rules shall not apply in the case of the founder of the Company, Mr. Amancio Ortega Gaona*”.

C.1.23. Indicate whether the articles of association or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes No X

Additional requirements and/or maximum number of years of office	-
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C.1.24. Indicate whether the articles of association or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Article 25.3 of the Articles of Association sets forth that any director can appoint another director as proxy holder in writing, each meeting requiring a special proxy, notifying the Chairman of the same in writing.

Pursuant to such article and section 20.1 of the Board of Directors' Regulations, non-executive directors may only be represented by another non-executive director.

No maximum number of proxies that a director can hold has been fixed.

In line with this provision, section 20.1 of the Board of Directors' Regulations provides that quorum shall be present on the board of directors when at least half plus one of its members attend either in person or by proxy (or, in case of an uneven number of directors, when a number of directors immediately higher than half of it is in attendance), stating further that the directors shall do their best to attend the meetings of the board of directors, and, when they cannot do so in person, they shall endeavour to grant a proxy to another member of the board giving instructions as to its use and communicating the same to the Chairman of the Board of Directors.

C.1.25. Indicate the number of meetings held by the Board of Directors during the year. Also indicate, where applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	7
Number of board meetings held without the chairman's presence	0

In 2021, the board and its committees held hybrid meetings (with some directors attending in person and others remotely). Videoconference or conference call systems were used to hold such meetings, pursuant to the provisions of section 19.4 of the Board of Directors' Regulations.

In 2021, the board of directors has held the same number of meetings as in the previous year. Agendas of the board and its committees meetings, in particular of the Audit and Compliance Committee, have been marked by the follow-up on the evolution of the global health crisis and its impact on the group's operations as well as the main risk indicators.

Indicate the number of meetings held by the lead independent director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	1
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Remarks

On 12 July 2021, a separate meeting of non-executive independent directors was held led by Mr Rodrigo Echenique Gordillo, Lead Independent Director, for the purposes of discussing highly relevant matters to the Company, thus ensuring that with regard to the decision-making over such matters, their independence within the board of directors is kept.

Indicate the number of meetings held by each board committee during the year:

Number of meetings held by the executive committee	0
Number of meetings held by the audit committee	5
Number of meetings held by the nomination committee	4
Number of meeting held by the remuneration committee	3
Number of meetings held by the sustainability committee	4

In 2021, board committees held hybrid meetings (with some directors attending in person and others remotely), in accordance with the provisions of sections 19.2, 15.2, 12.2 and 14.2 of the terms of reference of the Audit and Compliance, Nomination, Remuneration and Sustainability Committees, respectively, which were amended in 2021 to relax the existing system to hold meetings by remote means, as virtual-only meetings of the board and its committees are now allowed.

C.1.26. Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings in which at least 80% of directors were present in person	7
Attendance in person as a % of total votes during the year	96.10%
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	7
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100%

C.1.27. Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes No

Identify, where applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

The individual and consolidated annual accounts of the Company that are presented to be stated by the board of directors are previously certified by the Executive Chairman and the Chief Financial Officer.

Name	Position
Mr Pablo Isla Álvarez de Tejera	Executive Chairman
Mr Ignacio Fernández Fernández	Chief Financial Officer

C.1.28. Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Meeting of Shareholders are prepared in accordance with accounting regulations.

The Audit and Compliance Committee, mostly made up of non-executive independent directors, meets with the auditors of the individual and consolidated annual accounts in order to review the Company's annual accounts and certain periodic financial information that the board of directors must provide to the markets and their supervisory boards, overseeing compliance with the legal requirements and correct application of generally accepted accounting principles in the drafting of the financial statements. In such meetings, any disagreement or difference of opinion existing between the Company's Management and the external auditors is put forward, so that the board of directors can take the necessary steps to ensure that the annual accounts are stated in accordance with accounting regulations, endeavouring for them to be drafted in such a manner that they do not give rise to qualifications on the part of the auditor.

Furthermore, before drafting the annual, half-yearly or quarterly financial statements, the Company's Management meets with the Audit and Compliance Committee and is subjected by the latter to suitable questions as to, among others, the application of accounting standards and the estimates made in the preparations of the financial statements, topics which are subject to discussion with the external auditors.

In this regard, in line with the revised Recommendation 8 GGC, section 7(d) of the terms of reference of the Audit and Compliance Committee includes the following among the powers of such committee: *“to review the contents of the auditor's reports and, where appropriate, of the reports on limited review of interim accounts, as well as other mandatory reports to be prepared by the statutory auditor, prior to the issue thereof, in order to avoid qualified reports, ensuring that the annual accounts that the Board of Directors presents to the General Meeting of Shareholders are drawn up in accordance with accounting standards and, that in the circumstances where the statutory auditors includes any qualification in the auditor's report, the Chair of the Committee should give a clear explanation at the*

General Meeting of the committee’s opinion regarding the contents and scope of such qualifications, making a summary of that opinion available to the shareholders at the time of the publication of the notice calling the General Meeting of Shareholders along with the rest of the proposals and reports of the board of director.”

Meanwhile, section 45.5 of the Board of Directors’ Regulations reads as follows: “ *The Board of Directors shall ensure that the annual accounts are drawn up in accordance with accounting standards, striving for them to be drafted in such a manner that they do not give rise to qualifications on the part of the auditor. However, in the exceptional circumstances where the auditor expresses a qualified opinion and the Board of Directors considers that it must stick to its position, it shall publicly explain the contents and scope of the discrepancy. The foregoing without prejudice to the information that the Chair of the Audit and Compliance Committee would make available to the shareholders at the Annual General Meeting.”*

Finally, pursuant to the provisions of section 45.2 of the Board of Directors Regulations, the board shall meet at least once a year with the statutory auditor to receive information on the work done and on the evolution of the accounting and risk situation of the Company.

C.1.29. Is the secretary of the Board also a director?

Yes No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Mr Javier Monteoliva Díaz	-

The board of directors acknowledged in the meeting held on 9 March 2021 the resignation tendered by Mr Antonio Abril Abadín, who stepped down as General Counsel and Secretary of the board, and resolved to appoint Mr Óscar García Maceiras as new General Counsel and Secretary of the board and its committees, following a favourable report of the Nomination Committee. Both the resignation and appointment above referred became effective as of 31 March 2021.

At a later stage, in the meeting held on 29 November 2021, the board of directors resolved, following a favourable report of the Nomination Committee, to appoint Mr Javier Monteoliva Díaz as General Counsel and Secretary of the Board and its committees, replacing Mr García, whose resignation was also acknowledged in such meeting.

C.1.30. Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Section 45 of the Board of Directors' Regulations reads:

1. *“The relations of the Board of Directors with the external auditor of the Company shall be channeled through the Audit and Compliance Committee.*
2. *The Board of Directors shall meet at least once a year with the statutory auditor to receive information on the work done and on the evolution of the accounting and risk situation of the Company.*
3. *The Audit and Compliance Committee shall refrain from proposing to the Board of Directors, and the latter shall refrain from putting forward to the General Meeting of Shareholders, the appointment as statutory auditor of the Company of an audit firm incurring in incompatibility in accordance with the legislation on statutory audit as well as any audit firm wherein the fees that the Company expects to pay them for all services are in excess of the limits established in the legislation on statutory audit.*
4. *The Board of Directors shall publicly disclose the whole of the fees paid by the Company to the audit firm for non-audit services. [...]”*

The measures to preserve the independence of external auditors are explained below:

- The Audit and Compliance Committee, mostly made up of non-executive independent directors, and as a whole, with the relevant background with regard to the industry to which Inditex belongs, proposes to the board of directors the appointment of the statutory auditors, so that such motion is submitted to the Annual General Meeting. The Audit and Compliance Committee shall be in charge of the process for the selection of auditors, pursuant to applicable regulations, as well as of the terms of their engagements, the scope of their professional mandate and, where appropriate, the termination or non-renewal of their appointment.

With regard to such process for the selection of auditors, above referred, and in accordance with the provisions of CNMV's Technical Guide 3/2017 on audit committees at public-interest entities, the Procedure for the Selection of the Statutory Auditor was approved by the Audit and Compliance Committee on 9 September 2019.

For the purposes of ensuring an unbiased, fair, transparent and efficient and non-discriminating process, the selection criteria to be considered are defined in the Procedure, as well as the different proceedings both for the selection and appointment of external auditors, and for their re-election or replacement.

In accordance with the Procedure, the process for the selection of auditor must begin with the issue of tender documents for candidate firms, pursuant to a timeline and a request for proposals previously determined. A work team made up of members of different areas and departments will be appointed to assist in the process. Such team will be responsible for selecting and inviting candidate firms to tender their proposal to become the statutory auditor of the Inditex Group.

Finally, the work team will issue a report evaluating the proposals tendered based upon the predefined criteria.

On the other hand, the criteria for the re-election or replacement of the statutory auditors are also defined in the Procedure, based upon an annual evaluation of the proceedings of the statutory auditor that will take into account, without limitation, their contribution to the quality of the audit and to the integrity of financial and non-financial information.

- Likewise, the Audit and Compliance Committee is entrusted with the duty of liaising with external auditors in order to receive information on such matters that could compromise their independence and on any other matter related to the carrying out of the statutory audit, as well as on those other communications envisaged by auditing legislation and auditing standards. Namely, the Audit and Compliance Committee shall:
 - • Receive from the auditors on an annual basis, the statement on their independence regarding the Company or the companies related thereto, directly or indirectly.
 - • Oversee the engagement of the statutory auditor for non-audit services as well as the terms and the performance of the contracts entered into with the external auditor of the Company for the rendering of such services.

For such purposes, the Committee relies on the Procedure to Contract an Auditor for the Provision of Additional Non-audit Services, approved by the Audit and Compliance Committee on 18 July 2016 and amended in part in the meeting held on 14 March 2022, that regulates the process that shall be followed so that the Committee may be apprised of and approve the agreements executed by the Company and the entities within its Group with external auditors for the provision of non-audit services (in particular, when fees are significant), as a mechanism to ensure the due independence of the latter.

Statutory auditors will provide the committee with detailed and itemized information about non-audit services of any kind rendered and the relevant fees paid to them or to any of their related natural or legal persons, in accordance with the provisions of the regulations on statutory audit.

However, to safeguard the independence of its statutory auditor, Inditex limits as much as possible, the provision by said auditor of any non-audit service. In this regard, the above referred Procedure sets out a number of services that under no circumstances may be provided by external auditors.

- Additionally, for the purposes of reinforcing the duty to oversee and establish the independence of the statutory auditor, the engagement by Inditex's parent company (i.e., Pontegadea Inversiones, S.L. and/or any other significant shareholder of the Company from time to time) of non-audit services from such auditor shall be subject to prior approval by Inditex's Audit and Compliance Committee.

- • Verify that the Company and the statutory auditor not only comply with applicable regulations regarding the provision of non-audit services but also respect the limits on the concentration of the auditor's business, the rules on professional fees and, generally, all other regulations established to ensure the independence of the auditors.

In this regard, it shall ensure that the remuneration of the external auditors for their work does not compromise their quality and independence.

- • Finally, issue on an annual basis and prior to the issue of the auditor's report, a report setting forth its opinion on whether the independence of the statutory auditor or of the audit firms has been jeopardized. In any case, such report must contain the assessment of the provision by external auditors of each and every additional non-audit service, considered both separately and as a whole, and its opinion regarding the independence system of the auditor pursuant to statutory audit regulations.
- Finally, in the event of resignation of the statutory auditor, the Audit and Compliance Committee shall examine the circumstances that may have given rise thereto.

As regards the mechanisms established to ensure the independence of the financial analysts, the Company releases information to the market following the principles of the Internal Regulations of Conduct in the Securities Markets, especially relating to the obligation that the information must be accurate, clear, quantified and complete, avoiding subjective assessments that lead or could lead to confusion or deceit.

The Company also relies on the Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors, informed by a set of principles that it must observe upon disclosing information: transparency, accuracy, immediacy and symmetry. Under the policy, the Company is encouraged to keep communication channels which ensure that clear, full, streamlined and simultaneous information is made available to its current and potential shareholders, to assess the performance of the Company and its economic and financial results. Such Policy is available on the corporate website.

Likewise, in accordance with Recommendation 4 GGC, the board of directors approved on 14 December 2020, following a report of the Audit and Compliance Committee, the Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information that seeks to establish a framework for action and define the overarching principles that will govern the disclosure by the Company of Economic-Financial, Non-Financial and Corporate Information via Regulated and non-Regulated Channels.

The Policy is aligned with the provisions of the Company's internal regulations, in particular with the Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors.

As the highest supervisory body responsible for overseeing economic-financial, non-financial and corporate information, the board of directors shall ensure the largest circulation and the highest quality of the information provided to the stakeholders and to the markets at large, in accordance with a set of principles, including transparency, objectivity, accuracy, immediacy and symmetry in disclosure of information.

C.1.31. Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes No

Outgoing auditor	Incoming auditor
-	-

Financial year ended on 31 January 2022, i.e., FY2021 has been the last year audited by Deloitte. The maximum engagement period in accordance with statutory audit regulations will have been reached at the end of such year.

The board of directors resolved in the meeting held on 14 December 2020, following a report of the Audit and Compliance Committee to submit to the Annual General Meeting the appointment of Ernst & Young, S.L. as statutory auditor to audit the individual annual accounts and directors' report of the Company, and the consolidated annual accounts and directors' report of the Inditex Group for financial years 2022, 2023 and 2024.

Such motion of the Audit and Compliance Committee was drawn up following an audit tender process led by such committee in accordance with the Procedure to Select the Statutory Auditor for the Group, and CNMV's Technical Guide 3/2017 on audit committees at public-interest entities. The process has been described in section C.1.30 above.

If there were any disagreements with the outgoing auditor, explain their content:

Yes No

Explanation of disagreements
-

C.1.32. Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousand euros)	198	16	214
Amount invoiced for non-audit work/Amount for audit work (in %)	32.7%	0.2%	2.6%

C.1.33. Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion.

Yes No

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

-

C.1.34. Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	10	10

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	28%	32%

C.1.35. Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details where applicable:

Yes No

Details of the procedure

Pursuant to section 19.2 of the Board of Directors' Regulation, the notice calling ordinary meetings shall be given at least 3 days in advance of the meeting, and the notice shall always include the agenda of the meeting and shall be accompanied by the duly summarized and prepared relevant information.

In this regard, to help directors effectively prepare meetings, in addition to the documentation relating to agenda items, an executive summary of each of them is made available to them ahead of each meeting, outlining the main business to be transacted, the presentations and the minutes of the previous meeting.

Directors are made available in real time via a platform the documentation deemed appropriate to prepare the meetings of the board and its committees, according to the agenda, including the relevant presentations. Such tool allows directors permanent access to the documentation. Additionally, other relevant information for the appropriate performance of their duties is added through the tool (including, without limitation, internal conduct and corporate governance policies, updated membership of governing bodies, information about current agreements on remuneration or analysts' reports which may be useful for directors), in a confidential and secure environment.

On the other hand, attendance at board and committees' meetings of officers and supervisors of the different departments and areas of the Company with a recurrent presence is encouraged, to give their insight on certain issues directly associated with the responsibilities of the board and its committees so that directors have a direct understanding of business concerns and are entitled to directly debrief them on the business transacted at each meeting.

Additionally, any employee or officer can be called to the meetings, even without the presence of any other officer.

Without prejudice to the foregoing, efforts will be made to ensure that presence at committee meetings of anyone other than its members is limited to such cases where it is necessary, and for the transaction of specific items on the agenda for which they were called to attend.

For the purposes of ensuring that Inditex's board members fully understands their duties and responsibilities, as well as the proceedings of the Company's governing bodies, a "Directors Handbook" was prepared in 2021.

Additionally, section 27 of the Board of Directors' Regulations, recognizes the widest powers for directors to garner information about any topic affecting the Company (and its subsidiaries); examine its books, registers, documents and other records of the company's operations and inspect all its facilities; likewise it provides that the exercise of the powers of information shall be channeled through the Chairman, the Deputy Chairman or (any of the Deputy Chairmen, where appropriate), or through the Secretary of the board of directors, who shall attend to the requests made by any director, and directly provide him/her with the information, facilitate contacts with the appropriate spokespersons at the appropriate level in the organization or establish such measures as to enable them to conduct the desired examinations on-site.

On the other hand, specific questions on the quality of the information made available to directors and on how early in advance it has been received, are included in the evaluation questionnaire of the board. Additionally, the areas subject to improvement identified in the previous year and the assessment of the directors in respect of the improvement thereof, is subject to annual follow-up. This entails that where directors point out quality of information and/ how in advance they receive it as potential areas subject to improvement, progress can be made regarding submission of information required to prepare the meetings of the board of directors and its committees.

Meanwhile, section 28 of the Board of Directors' Regulations addresses the possibility for directors to seek external advice.

C.1.36. Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Sí No

Explain the rules

Pursuant to Recommendations 22 and 24 GGC and section 25.2(e) of the Board of Directors' Regulations, directors must submit their resignation from the position to the board of directors and formally tender their resignation, if this latter should consider it advisable, when they are involved in any circumstances affecting them, related or not to their actions within the Company, that may harm the name and reputation of the Company or, otherwise jeopardize its interests. For such purposes, they shall report to the board of directors any criminal cases in which they are accused as well as how the legal proceedings subsequently unfold.

Meanwhile, pursuant to section 39.3 of the Board of Directors' Regulations, directors shall inform the Board of Directors of any circumstance which might compromise the credit and reputation of the Company or jeopardize its interest.

C.1.37. Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes No

Remarks

The board of directors has not been notified in the year nor has it been made aware of any situation affecting a director, that might harm the company's standing and reputation.

C.1.38. Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Not applicable.

C.1.39. Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	25
-------------------------	----

Type of beneficiary	Description of agreement
Executive Chairman and CEO	Both executive directors will be entitled to severance pay in an gross amount equivalent to the remuneration of 2 years calculated based upon their fixed remuneration for the current year respectively, where their contracts are terminated by unilateral decision of the Company, as well as in case of resignation tendered by the Executive Chairman or the CEO under certain premises (including the succession in the company or a change in control in the Company that affects more than 50% of the share capital or of the voting rights, provided that a significant refreshment of the governing bodies of the Company or a change in the purpose of the main activity of the Company takes place at the same time, if such request for termination is made within 6 months of the occurrence of such succession or change. For such purposes, no succession or change in control shall be deemed to have taken place in the event of direct or indirect family succession in the ownership of the Company).
Senior managers and officers	<p>Golden parachute clauses are written in the contracts executed with 23 senior managers and officers, in the event that their contract, whether ordinary or senior management, is terminated further to withdrawal by Inditex, wrongful or unreasonable dismissal, or resignation based upon certain grounds, pursuant to the terms and conditions of their contracts. In such cases, the senior manager or officer shall be entitled to severance pay in a gross amount equivalent to the remuneration of 2 years, calculated based upon the fixed and variable remuneration determined for the current year.</p> <p>3 new senior managers have been appointed this year and their pay information is reported for the first time. Their employment contract does not cover an indemnity or golden parachute clause, as their seniority within the Group makes them unnecessary.</p>

In the context of Mr Isla's departure from the company, and in order to strengthen the protection of the Company's legitimate interests, the board of directors resolved, on the proposal of the Remuneration Committee to submit to the Annual General Meeting to be held in 2022 for approval, inter alia: (i) the motion to extend the scope of the post-contractual non-compete obligation, and the related increase of his compensation further to such extension, and (ii) the motion to amend the current Directors' Remuneration Policy approved at the Annual General Meeting held in 2021, to align it with the above referred reality.

In any case, the maximum termination payment amounts for executive directors pursuant to the provisions of the above referred recommendations GGC, are respected.

Indicate whether, beyond the cases established by law, these agreements have to be communicated and/or authorized by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Meeting of Shareholders
Governing body authorizing the clauses	x	

	Yes	No
Are these clauses notified to the General Meeting of Shareholders?	x	

The internal system regarding approval of the terms and conditions of the contracts entered into by the Company or any Group company with senior managers and directors, provided in the Articles of Association, the Board of Directors' Regulations and the specific sets of regulations of each board committee, is not different from the statutory system provided in the Companies Act.

The clauses included in contracts with senior managers are approved by the board of directors, following a favourable report of the Remuneration Committee.

Information about such clauses, which are included in the contracts entered into with the Executive Chairman and the CEO, can be found in the Annual Report on Remuneration of Directors for 2021, which will be put to an advisory say-on-pay vote at the following Annual General Meeting as a separate agenda item.

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

EXECUTIVE COMMITTEE

In accordance with the provisions of article 27 of the Articles of Association, an Executive Committee was set up by the Board of Directors on 28 February 1997, which holds in delegation all the powers of the Board, except for those that cannot be delegated by statute or pursuant to the Articles of Association and those that are necessary for the responsible exercise of the general supervisory function that is incumbent on the board of directors.

Composition of the Executive Committee as at 31 January 2022:

Name	Position	Directorship type
Mr Pablo Isla Álvarez de Tejera	Chair	Executive
Mr José Arnau Sierra	Deputy chair	Proprietary
Mr Amancio Ortega Gaona	Ordinary member	Proprietary
Mr Óscar García Maceiras	Ordinary member	Executive
Ms Pilar López Álvarez	Ordinary member	Independent
Mr José Luis Durán Schulz	Ordinary member	Independent
Mr Rodrigo Echenique Gordillo	Ordinary member	Independent
Mr Emilio Saracho Rodríguez de Torres	Ordinary member	Independent
% executive directors		25 %
% proprietary directors		25 %
% independent directors		50 %
% affiliate directors		0 %

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary non-member of the Executive Committee.

Considering the foregoing, the structure of the Executive Committee is represented in the image below:

EXECUTIVE COMMITTEE



■ Non-executive Independent Directors ■ Non-executive Proprietary Directors ■ Executive Directors

Explain the duties delegated or assigned to this committee, other than those that have already been described in Section C.1.9. and describe the rules and procedures for its organization and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.

a) Composition

The board of directors resolved on 14 December 2020, following a favourable report of the Audit and Compliance Committee to amend in part its terms of reference for the purposes, inter alia, of aligning the rules on the composition of the Executive Committee with the new language of Recommendation 37 GGC.

Pursuant to section 14.2 of the Board of Directors' Regulations, the Executive Committee, should it exist, shall be made up of a number of directors being no less than 3 and no greater than 8. At least 2 of the members of the Executive Committee must be non-executive directors and at least one of these latter must be an independent director. The Chairman of the board of directors shall chair the Executive Committee and the Secretary of the Board of Directors shall act as Secretary, who may be assisted by the Deputy-Secretary.

b) Duties

The Executive Committee holds in delegation all the powers of the board, except for those that cannot be delegated by statute or pursuant to the Articles of Association and those that are necessary for the responsible exercise of the general supervisory function that is incumbent on the board of directors.

Pursuant to article 27 of the Articles of Association, for the permanent delegation of any power of the board of directors to the Executive Committee, it shall be necessary for two-thirds of those making up the board of directors to vote for the motion.

c) Proceedings

No meeting of the Executive Committee was held in 2021.

AUDIT COMMITTEE

Article 28 of the Articles of Association and section 15 of the Board of Directors' Regulations, as well as the Audit and Compliance Committee's Regulations set out the regulations governing the Audit and Compliance Committee.

Composition of the Audit and Compliance Committee as at 31 January 2022:

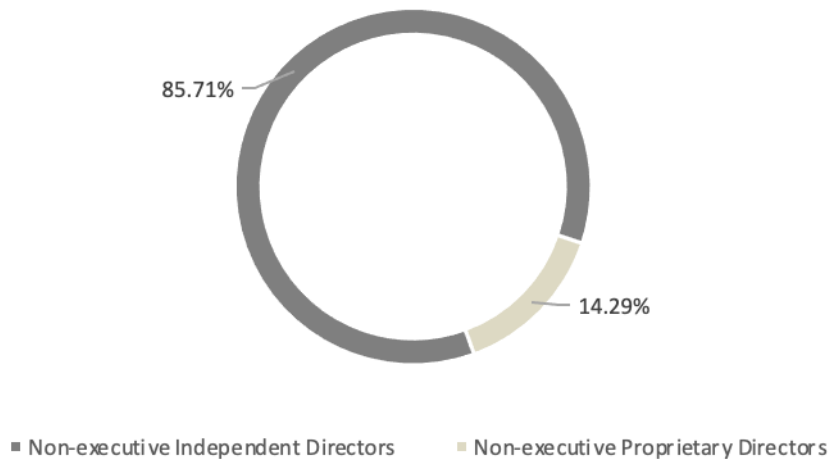
Name	Position	Directorship type
Ms Pilar López Álvarez	Chair	Independent
Bns. Denise Patricia Kingsmill	Ordinary member	Independent
Ms Anne Lange	Ordinary member	Independent

Mr José Arnau Sierra	Ordinary member	Proprietary
Mr José Luis Durán Schulz	Ordinary member	Independent
Mr Rodrigo Echenique Gordillo	Ordinary member	Independent
Mr Emilio Saracho Rodríguez de Torres	Ordinary member	Independent
% executive directors		0 %
% proprietary directors		14.29 %
% independent directors		85.71 %
% affiliate directors		-

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary non-member of the Audit and Compliance Committee.

Considering the foregoing, the structure of the Audit and Compliance Committee is represented in the image below:

AUDIT AND COMPLIANCE COMMITTEE



Explain the duties assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organization and functioning. For each of these duties, briefly describe its most important actions during the year and how it has exercised in practice each of the duties assigned to it by law, in the articles of association or in other corporate resolutions.

a) Composition:

Pursuant to section 14 of the Audit and Compliance Committee's Regulations and article 28 of the Articles of Association, the Audit and Compliance Committee shall be made up of a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom must necessarily be independent directors. All members of the committee and in particular its Chair shall be appointed taking into account their knowledge and experience on accounting, audit, internal control or risks management matters, both financial and non-financial, as well as industry-specific knowledge. Additionally, at least one of them shall be appointed taking into account their knowledge, skills and experience in the matter of information technology.

The Audit and Compliance Committee must be chaired by an independent director, who shall be elected by the board of directors for a maximum 4-year term, upon expiry of which he/she shall be replaced. He/she may be re-elected after expiry of one year of the date of his/her removal. The board of directors shall appoint a Secretary of the Audit and Compliance Committee, who needs not be a member of said body.

The board of directors shall encourage a diverse committee membership in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that are a result of the smaller size of the committee.

b) Duties

The mission and powers of the Audit and Compliance Committee are addressed in article 28 of the Articles of Association, section 15 of the Board of Directors' Regulations and sections 5 to 13 of the Audit and Compliance Committee's Regulations.

In addition to the powers it is expressly assigned pursuant to statute and the Recommendations of the Good Governance Code, the Audit and Compliance Committee shall be expressly entrusted with the following duties:

- Powers relating to Corporate Governance: (i) to review and evaluate the appropriateness of the corporate governance system and to propose to the Board of Directors the amendments and updates of the Company's corporate governance regulations; (ii) to oversee the degree of compliance by the Company with generally recognized recommendations on good governance and in particular, with the GGC; (iii) to oversee compliance with the Internal Regulations of Conduct in the Securities Markets, and, in general, with the corporate governance regulations of the Company; (iv) to be regularly apprised of issues relating to management of treasury stock; and (v) to prepare and table to the board of directors for approval, the Annual Corporate Governance Report.
- Powers relating to Compliance: (i) to issue reports on the policies and procedures of the Company on topics within its remit; (ii) to oversee compliance with the applicable regulations and the effectiveness of the internal policies and procedures of the Company; (iii) to review the recommendations and best practices on Compliance and corporate governance, both domestic and/or international, and to encourage compliance with the most demanding standard; (iv) to oversee compliance with the Annual Compliance Plan and with the Model of Criminal Risk Prevention of the Group; (v) to ensure that the Compliance Function relies on the necessary resources for the appropriate discharge of its duties; and (vi) to receive information, at least every

6 months, on the degree of compliance with the Codes of Conduct and the proceedings of the Ethics Line and the reports received through the relevant channel of any potential breach of the Codes of Conduct of the Group, of any other internal regulation of the Group and of any potentially relevant irregularities, including of a financial and/or accounting nature, or otherwise relating to the Company.

- Powers relating to tax issues: (i) to receive from the head of tax issues of the Company prior to the statement of the annual accounts and the filing of the Corporate Tax return, information on tax criteria followed by the Company during the financial year, and on the degree of compliance with the Code on Good Tax Practices; and (ii) to apprise the board of directors of the tax policies applied and, in the case of transactions or matters which must be referred to the board of directors for approval, of the tax consequences thereof, when they represent a relevant factor.
- Other powers entrusted to the Audit and Compliance Committee: (i) to oversee in coordination with the Sustainability Committee, where applicable and with regard to issues under its purview, the strategy of communication and relations with shareholders, including small and medium shareholders, investors, proxy advisors and other stakeholders as well as the effective application of the Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information, and encourage its enhancement; (ii) to oversee and evaluate the process of interaction with the different stakeholders of the company as regards issues under its purview; and (iii) to exercise when the Committee so decides all the duties inherent in audit committees from time to time provided in applicable laws, as regards such Group companies that are deemed to be public-interest entities (as defined by applicable regulations) provided that such companies are directly or indirectly wholly-owned by the Company and the administration thereof is not vested in a board of directors.

The terms of reference of the Audit and Compliance Committee have been amended in 2021, for the main purpose of aligning the duties it is entrusted with regarding related party transactions, with the legal system provided in the new section 529 *duovicies* LSC introduced by Act 5/2021.

c) Organizational and operational rules

The Committee shall meet, at least on a quarterly basis, for the purposes of reviewing the periodic financial information to be submitted to the market authorities further to an obligation or of its own accord, as well as the information that the board of directors must approve and include within its annual public documentation. Likewise, it shall meet each time that its Chair calls it. The Chair must call the Audit and Control Committee whenever the board of directors or the Chairman thereof would request a report or the submission of motions and, at any rate, whenever it is appropriate for the successful performance of its functions.

Likewise, the Chair may arrange other communication channels, working meetings to prepare committee meetings on specific topics apart from the formal meetings of the committee.

Ordinary meetings shall be called by letter, fax, telegram or e-mail and the notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members, present or represented are in attendance. The committee may also pass resolutions in writing, without holding a meeting, pursuant to the provisions of statute.

Committee meetings may be held via videoconference or conference call, or any other equivalent system allowing to recognize and identify attendees, for them to communicate, speak and cast vote, all of it in real time.

Likewise, for the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee shall prepare an annual working plan, which shall include, at least, the specific objectives for the financial year and an annual schedule of ordinary meetings. In addition, the committee may rely on external advisors to properly carry out its duties.

d) Main proceedings of the Audit and Compliance Committee carried out in 2021

The main proceedings of the Audit and Compliance Committee in the year in furtherance of the responsibilities it has been entrusted with pursuant to article 28 of the Articles of Association and implemented in sections 5 to 13 of the Audit and Compliance Committee's Regulations, are addressed below:

- 1. Proceedings relating to the supervision of the process to draw up and release the periodic financial information, annual accounts, auditor's report and Statement on Non-Financial Information.**
 - Preparation of financial and non-financial information

The Audit and Compliance Committee reviews Inditex's economic and financial information before it is approved by the board of directors.

To do so, prior to the stating of the quarterly, half-yearly or annual financial statements, the Audit and Compliance Committee also meets with the Company's Management to review, among other things, the enforcement of the accounting principles and the estimates made upon stating the financial statements.

Additionally, the committee, which is entirely made up of non-executive directors, meets with the external auditor for the purposes of reviewing the Company's annual accounts and certain periodic financial information, ensuring compliance with statutory requirements, the appropriate delimitation of the consolidation perimeter and the appropriate use of generally accepted accounting principles upon stating the annual accounts.

The Audit and Compliance Committee reviewed on 8 March 2021 the annual accounts and the directors' report, both consolidated and individual, as well as the auditor's report for FY2020. The Committee verified that an unqualified auditor's report was issued. In that same meeting, in the exercise of the oversight duties inherent in audit committees assumed in respect of Zara España, S.A. ("Zara España"), a wholly-owned subsidiary, the Committee reviewed the results and the Annual Financial Report, comprising the individual annual accounts and directors' reports for FY2020.

Likewise, the Audit and Compliance Committee reviewed the quarterly results for 2021 and the relevant Results Releases and Press Releases in the meetings held on 7 June (1Q), 13 September (1H) and 13 December 2021 (3Q). Such results – and the respective Results Releases and Press Releases – were provided by the board of directors to the market and its supervisory bodies on a quarterly basis pursuant to the Periodic Public Information (PPI) format.

- Statement on Non-financial Information

The committee gave a favourable report to the consolidated Statement on Non-financial Information (SNFI) of the Inditex Group for 2020 in the meeting held on 8 March 2021.

The SNFI was prepared in accordance with the provisions of applicable commercial regulations, following the criteria laid down in Global Reporting Initiative (GRI) standards, in particular in GRI 101: Foundation 2016, selected pursuant to the table of required contents provided in Act 11/2018.

It was subject to an independent review by an external facilitator and the Audit and Compliance Committee verified that it was unqualified. The SNFI was an integral part of the Annual Report for 2020.

- Report on the Internal Control over Financial Reporting System (ICFR)

The committee oversaw the effectiveness of the Internal Control over Financial Reporting System (ICFR). This is accounted for in section F of the 2020 Annual Corporate Governance Report approved on 8 March 2021. The Company's ICFR has been verified by the statutory auditor, who issued an unqualified report.

2. Proceedings relating to statutory audit

- Overseeing the process to select and appoint the external auditor

The audit tender process to select the new statutory auditor was completed in 2020. In the meeting held on 11 December 2020, the Audit and Compliance Committee resolved to submit to the Board of Directors the motion on the appointment of E&Y, S.L. to be the new statutory auditor of the Company and its Group for FY2022, 2023 and 2024.

Pursuant to applicable audit laws, the audit firm charged with performing the mandatory audit of a public interest entity will not be able to provide to the audited entity, its parent company or controlled entities prohibited non-audit services in the year before the beginning of the statutory audit, i.e., between 1 February 2021 and 31 January 2022. Consequently, in 2021 both the Internal Audit Function and the external auditor have apprised the committee of the transition of the various services.

- Overseeing the effectiveness of the statutory audit and fulfilment of the audit engagement

The audit conducted in 2020 was reviewed by the Audit and Compliance Committee in the meeting held on 8 March 2021, which was attended by the external auditor via conference call.

The external auditor audited the consolidated financial statements of the Group as at 31 January 2021 as well as the individual financial statements of certain Group companies, also as at 31 January 2021. Likewise, the information about individual accounts of Zara España was included for the first time in the audit scope. An unqualified report was issued.

External auditors have also carried out the limited review of the consolidated financial statements for 1Q2021 and 3Q2021, which was accounted for in the meetings held on 7 June and 13 December 2021, respectively.

They were also in attendance at the meeting held by the Audit and Compliance Committee on 13 September 2021 to account for the limited review of interim condensed consolidated financial statements of Industria de Diseño Textil, S.A. and subsidiaries.

External auditors were also in attendance in the meeting held on 13 December 2021 by invitation of the Committee, to address the audit plan for the current year.

Partners of E&Y, S.L. audit firm have been invited to attend the Committee meeting to be held on 14 March 2022 to report on the transition status of the different services.

- Verifying the independence of Statutory Auditor

Pursuant to the provisions of the Procedure to Contract an Auditor for the Provision of Non-audit Services approved by the Committee on 18 July 2016 and amended in part on 14 March 2022, the Audit and Compliance Committee evaluated and approved in the meetings held on 8 March, 7 June, 13 September and 13 December 2021 the engagement by the Company, Group companies and Zara España, of non-audit services from external auditors.

Meanwhile, on 8 March 2021, the committee approved the report on the independence of the external auditor of the Company and of Zara España, which also addressed the issue of the provision of non-audit services.

Pursuant to Recommendation 6 GGC, the report on the independence of the external auditor from the Company was made available to the shareholders on the corporate website at the time the Annual General Meeting was called.

In the meeting held on 8 March 2021, having established that independence requirements are met, and having assessed the degree of fulfilment of the audit engagement, the audit findings, and the terms of the contracts entered into with auditors to perform non-audit services other than those covered in the audit engagement, the Audit and Compliance Committee gave a favourable report to the re-election of statutory auditors, to be approved by the board of directors and subsequently submitted to the Annual General Meeting.

3. Proceedings relating to Internal Audit

The Chief Audit Officer attended all the meetings of the Audit and Compliance Committee held in 2021 and took an active part therein.

A number of issues that fall under the purview of the committee were addressed in such meetings. The committee oversaw the work plan of the Internal Audit Department (progress report of the projects and review of the follow-up on the most critical recommendations, both of operational, financial, compliance and systems audits currently in progress), and approved its budget and its activities report.

- In the meeting held on 8 March 2021: (i) it acknowledged the assignments carried out by Internal Audit in 4Q2021 and the Annual Activities Report of internal Audit for 2020; (ii) it approved the Internal Audit Plan and the budget for 2021, in accordance with Recommendations 41 & 42 GGC; and (iii) it gave a favourable report to the external audit fees for 2020, the external audit budget for 2021 and the fees for non-audit services provided to the company and its Group.
- In the meeting held on 7 June 2021, it acknowledged the work done by Internal Audit in 1Q2021, in particular, with regard to the auditor rotation process, the follow-up on incompatible services and the estimated timeline.
- In the meeting held on 13 September: (i) it acknowledged the work done by Internal Audit in 2Q2021; and (ii) it resolved to update the Internal Audit Plan for 2021 in line with the outcome of the re-evaluation of risks.
- Last, in the meeting held on 13 December, it acknowledged the work done by Internal Audit in 3Q2021, in particular with regard to the auditor rotation process, the coordination of the kick-off meetings to learn the main processes.

4. Proceedings relating to *Compliance*

- Supervision of the Model of Criminal Risk Prevention: review of the reports issued by the Committee of Ethics

The Committee reviewed and approved the Annual Report of the Committee of Ethics for 2020 in the meeting held on 8 March 2021 and the Half-yearly Report of the Committee of Ethics for 2021 first half, in the meeting held on 13 September 2021. Likewise in the meeting held on 8 March 2021 it acknowledged the Report on the Model of Criminal Risk Prevention for 2020 and in the meeting held on 13 September 2021 the half-yearly Report on the Model of Criminal Risk Prevention. Such reports review, among other things, the enforcement of the Code of Conduct and Responsible Practices and the Code of Conduct for Manufacturers and Suppliers, with a description of the cases seen by the Committee of Ethics, the proceedings carried out and the resolutions issued; the outcome of the supervision of the Model of Criminal Risk and proceedings to implement the Corporate Compliance System at domestic and international level (circulation and communication of the Corporate Compliance System, proceedings regarding the acceptance of the Code of Conduct and Responsible Practices and training on Corporate Compliance).

The committee also acknowledged the main proceedings carried out by the Committee of Ethics as regards the Ethics Line in the meetings held on 7 June and 13 December 2021.

Last, the committee acknowledged in the meeting held on 13 September 2021 the implementation of the Model of Criminal Risk Prevention in Mexico.

- Supervision of the Compliance Function

In the meeting held on 8 March 2021, the committee approved the strategic action lines of the Compliance Function and its budget for 2021.

Likewise, in the meetings held on 7 March and 13 September 2021, it acknowledged the 2020 Annual Compliance Report and the half-yearly Compliance Report for 2021 first half, respectively.

The committee further acknowledged the main proceedings of the Compliance Function in the meetings held on 7 June and 13 December 2021.

- Corporate policies.

In the meeting held on 7 June 2021, the committee gave a favourable report to the Corporate Security Policy, which was subsequently approved by the board of directors in the meeting held on the following day.

5. Proceedings in the field of oversight and evaluation of the Enterprise Risk Management Function

The Audit and Compliance Committee is responsible for verifying the level of risk tolerance and its limits, at least by means of an annual review and periodic reports on the degree of compliance with the Enterprise Risk Management Policy, to be raised to the board. Its main proceedings in the field in the year were:

- Risks Map

In the meeting held on 13 December 2021 the Head of the ERM Department apprised the committee of the main risks affecting business development and the control measures established to manage and monitor such risks. The committee gave a favourable report to the update of the 2021 Risks Map.

- Evaluation of other risks

Pursuant to sections 5.3(i) of the Audit and Compliance Committee's Regulations, and the provisions of the Enterprise Risk Management Policy, the evaluation of any question regarding "financial and non-financial risks (*including operational, technological, legal, social, environmental, political and reputational risks or those related to corruption*)" is part of the Committee's duty to oversee the effectiveness of risk control systems.

Likewise, pursuant to section 9(h) of the above referred set of rules, the Audit and Compliance Committee may “*meet with the heads of business units at least once a year, and whenever the Committee deems it appropriate, for the purposes of reporting to the Committee on trends of business and risks associated with the respective areas under their purview.*”

Considering the foregoing, the Committee has encouraged attendance of company’s officers, supervisors and heads of control areas at its meetings, to keep abreast of the operation of the risk management systems established and the findings reached. In particular, with regard to:

- Financial risks

In the meeting held on 13 December 2021, the Head of the ERM Department and the Head of Financial Risk Management reported on the main financial risks of the Group, in particular the foreign exchange risk.

- Report on Tax Policies

Pursuant to the Company’s Tax Policy, the committee acknowledged in the meeting held on 8 March 2021 the tax policies followed in 2020.

- Information Security

In the meeting held on 8 March 2021, the committee acknowledged the findings of the review of the Group’s cybersecurity maturity level. External auditors were in attendance via conference call.

In that same meeting, the committee acknowledged:(i) the main events of interest noted by the Information Security Committee in 2H2020; (ii) the most relevant projects and initiatives of the Information Security Department; and (iii) the Plan for FY2021

On the other hand, in the meeting held on 13 September 2021, the committee acknowledged: (i) the main events of interest noted by the Information Security Committee in 1H2021.

- Report of the Data Protection Officer

In the meeting held on 13 September 2021, the committee acknowledged the report of the DPO, which identified, inter alia: (i) the most relevant initiatives carried out by the area; and, (ii) the current strategy and main action lines.

- Technology

The committee acknowledged in the meeting held on 8 March 2021 the outcome of the analysis carried out by the statutory auditor regarding technical incidents.

Likewise, in the meeting held on 13 September 2021, the committee acknowledged the presentation given by the Chief Data Officer, the Head of the Organization and Processes Area and the Chief Analytics Officer on the Update on the Group's Data Transformation Plan.

- The corporate strategy

As a general rule, the board of directors delegates the management of the day-to-day business and the conduct of its strategy to the management team, focusing on carrying out its general oversight duty and exercising its non-delegable powers, pursuant to statute, the Articles of Association and its own set of rules.

Within the scope of its powers relating to enterprise risk management, both financial and non-financial, the Audit and Compliance Committee will be regularly updated by the Management and the heads of business units who will attend its meetings for the purposes of reporting to the committee on trends of business and risks associated with the respective areas under their purview.

In this regard, the committee acknowledged in the meetings held on 8 June 2021 and 13 September 2021 the presentations given by brand managers and country managers of the main subsidiaries of the Group on business evolution in their respective markets, against the backdrop of the global pandemic of coronavirus disease.

6. Proceedings relating to Corporate Governance

The most relevant proceedings of the committee in 2021 regarding observance of statutory and good governance requirements have been:

- Annual Corporate Governance Report (ACGR)

The Audit and Compliance Committee approved on 8 March 2021 the 2020 Annual Corporate Governance Report filed in free format, in accordance with CNMV's Circular 5/2013, accompanied by the relevant Statistical Appendix laid down in such Circular. The committee submitted the ACGR to the board of directors which approved it on 9 March 2021, and subsequently sent it to the CNMV as other relevant information. The ACGR is available on CNMV's website.

- Review of the reports of the Compliance Supervisory Board and the Compliance Office

The Audit and Compliance Committee reviewed in the meetings held on 8 March and 13 September 2021 the half-yearly reports drawn up by the Compliance Office and the Compliance Supervisory Board on (i) the enforcement of the Internal Regulations of Conduct; (ii) the measures taken to promote knowledge and ensure compliance with the provisions of the IRC; and, (iii) the approval of the new parameters to be considered to issue the new list of persons subject to the IRC.

- Amendment to internal regulations

In 2021 almost all the amendments to Inditex's internal regulations on corporate governance were made to bring their language into line with the regulatory development which came into force since the last Annual General Meeting, i.e, the reform introduced by Act 5/2021.

In particular, the committee gave a favourable report to the following motions on the amendment or approval of internal regulations:

- In the meeting held on 7 June 2021:
 - The motion to amend the Articles of Association to align its language with the regulatory development introduced by Act 5/2021 and with the relevant amendments made to the Board of Directors' Regulations and the terms of reference of the Audit and Compliance, Nomination and Sustainability Committees throughout 2020, to align their language with the partial review of GGC approved by CNMV's board on 25 June 2020.
 - The motion to amend the Regulations of the General Meeting of Shareholders to align its language with the regulatory development made by Act 5/2021. In particular, the possibility of holding virtual-only general meetings, in accordance with the provisions of recently added section 182*bis* LSC was covered.
 - The motion to amend the terms of reference of the Board of Directors and the Audit and Compliance Committee, to align their provisions with the regulatory development created by Act 5/2021.
- In the meeting held on 13 September 2021: the motion on the amendment to the Internal Regulations of Conduct in the Securities Markets, to align its language with the reorganization and changes made to the Compliance Supervisory Board (formerly known as the "Code Compliance Supervisory Board") and its provisions with the regulatory development introduced by Act 5/2021.
- In the meeting held on 13 December 2021, the Audit and Compliance Committee gave a favourable report to the new Procedure for Periodic Control and Reporting on Related Party Transactions, in accordance with the provisions of section 529 *duovicies* LSC.

All the motions referred to above were passed at the relevant board meetings subsequently held.

- Evaluation of the appropriateness of the corporate governance system

In the meeting held on 14 March 2022, the Audit and Compliance Committee appreciated that the Company's corporate governance system is appropriate in 2021, as it considers that it meets its purpose of promoting corporate interest taking into account the legitimate interests of the different stakeholders.

- Related party transactions

In the meeting held on 8 March 2021, the Audit and Compliance Committee issued and approved the report on related party transactions carried out by the Inditex Group throughout 2020.

Pursuant to Recommendation 6 GGC, such report was made available to the shareholders on the corporate website at the time the notice calling the Annual General Meeting was posted.

In the meeting held on 13 December 2021, the Committee resolved to propose to the board of directors that this latter delegate the approval of related party transactions as set out in section 529 *duovicies*(4) LSC, to the Compliance Supervisory Board. It also gave a favorable report to the Procedure for Periodic Control and Reporting on Related Party Transactions to which such transactions are subject. Such delegation was subsequently approved by the board of directors in the meeting held on 14 December 2021.

In this latter meeting, the committee gave a favorable report to the related party transaction consisting of the collaboration between Inditex and the company styled PONTEGADEA DIECIOCHO, S.L. to organise a charity concert addressed to employees of the Inditex Group and its affiliates. Such transaction was subsequently approved by the board of directors on 14 December 2021.

- Report on treasury stock

The Committee acknowledged in the meeting held on 8 March 2021 the report on the Group's treasury shares.

- Report on its proceedings

The Audit and Compliance Committee issued the annual report on its proceedings on 7 June 2021. It was published in the 2020 Annual Report and is available on www.inditex.com

7. Other actions

- Assumption by Inditex's Audit and Compliance Committee of functions of audit committee at Zara España, S.A.

As described above in the relevant sections, the Audit and Compliance Committee carried out duties inherent in the audit committee of Zara España, S.A. in 2021.

- Corporate and structural changes

In the meeting held on 13 December 2021, the committee gave a favourable report to the terms and conditions of a review of the Group's international corporate structure, which was subsequently approved by the board of directors on the following day.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	Ms Pilar López Álvarez, Bns. Denise Patricia Kingsmill, Ms Anne Lange, Mr José Arnau Sierra, Mr José Luis Durán Schulz, Mr Rodrigo Echenique Gordillo and Mr Emilio Saracho Rodríguez de Torres
Date of appointment of the chairperson	14/07/2020

NOMINATION COMMITTEE

Article 29 of the Articles of Association, section 16 of the Board of Directors' Regulations and the Nomination Committee's Regulations set out the regulations governing the Nomination Committee.

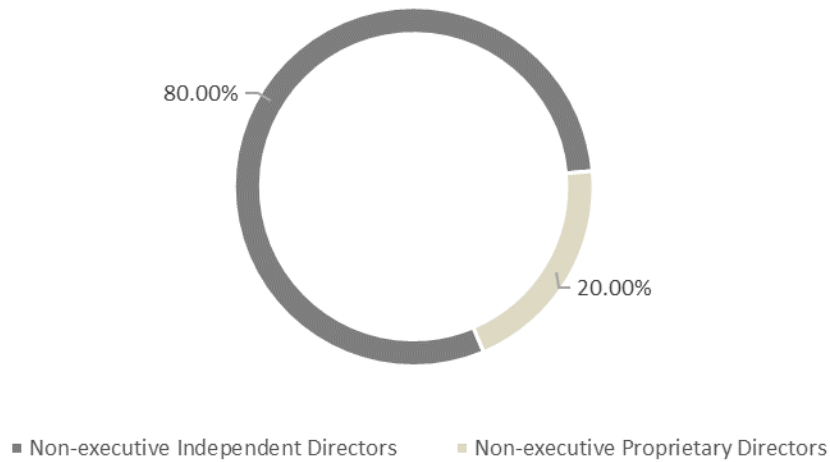
Composition of the Nomination Committee as at 31 January 2022:

Name	Position	Directorship type
Mr Emilio Saracho Rodríguez de Torres	Chair	Independent
Ms Anne Lange	Ordinary Member	Independent
Ms Pilar López Álvarez	Ordinary Member	Independent
D. José Arnau Sierra	Ordinary Member	Proprietary
D. Rodrigo Echenique Gordillo	Ordinary Member	Independente
% executive directors		0 %
% proprietary directors		20.00%
% independent directors		80.00%
% affiliate directors		0 %

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Nomination Committee.

Considering the foregoing, the structure of the Nomination Committee is represented in the image below:

NOMINATION COMMITTEE



Explain the duties assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organization and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.

a) Composition

Pursuant to the provisions of article 29 of the Articles of Association and section 10 of its own terms of reference, the Nomination Committee shall be made up of a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom must necessarily be independent, who shall be elected, in particular its Chair, considering the appropriate knowledge, qualifications and experience to discharge the duties they are called upon to perform, including on corporate governance issues, analysis and strategic assessment of human resources, selection of directors and senior executives and the assessment of the suitability requirements legally provided for the discharge of senior executive functions. The Chair of the Nomination Committee shall be appointed by the board of directors out of the independent members of the committee.

Likewise, the board of directors shall encourage diversity of committee membership in terms of professional experience, qualifications, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that are a result of the smaller size of the committee.

b) Duties

The mission and powers of the Nomination Committee are provided in article 29.3 of the Articles of Association, section 16 of the Board of Directors' Regulations, and sections 5 to 9 of the Nomination Committee's Regulations.

In addition to such powers it is expressly assigned pursuant to statute and the Recommendations of the Good Governance Code, the Nomination Committee is entrusted with the following duties:

- • With regard to the selection of directors: (i) to issue a report on the Diversity of Board of Directors Membership and Director Selection Policy; (ii) to set a representation target for the least represented gender on the Board of Directors and to provide guidance on how to reach such target; (iii) to set up and review the criteria that must be adhered to regarding an appropriate composition and diverse board membership and the selection of prospective candidates; (iv) to ensure that, upon filling new vacancies or upon appointing new directors, selection procedures shall encourage diversity ensure the absence of any manner of discrimination, and shall follow merit-based approach; and (v) to be regularly apprised of the succession and career plans of Senior managers.
- • With regard to the annual evaluation programme: (i) to establish and oversee an annual programme for evaluating the performance of the Executive Chairman, the CEO and board committees; (ii) to report on an annual basis to the board of directors on the performance of the Executive Chairman, the CEO and any other executive director; (iii) to propose an action plan or recommendation to amend potential weaknesses detected or to improve the operation of the board and its committees; and (iv) to assess the convenience of discussing with the directors the findings of their individual evaluations and, if appropriate, the measures to be adopted to improve their performance.

Additionally, the Committee may gather information about the evaluation of senior managers.

- • Other powers entrusted to the Committee: to design and periodically organise the induction and refresher programmes for directors.

c) Organizational and operational rules

The Nomination Committee shall meet at least 3 times a year and each time that its Chair calls it. The Chair shall call a committee meeting each time the Board of Directors or its Chairman requests the issuing of a report or the adoption of proposals within its purview and, at any rate, whenever this is suitable for the successful performance of its functions.

Likewise, the Chair may arrange working meetings to prepare committee meetings on specific topics apart from the formal meetings of the Committee.

Ordinary meetings shall be called by letter, fax, telegram or e-mail and the meeting notice shall be authorized by the signature of the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members, present or represented are in attendance. The Committee may also pass resolutions in writing, without holding a meeting, pursuant to statutory provisions.

Committee meetings may be held via videoconference or conference call, or any other equivalent system allowing to recognize and identify attendees, for them to communicate, speak and cast vote, all of it in real time.

Likewise, for the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee shall prepare an annual working plan, which shall include, at least, the specific objectives for the financial year and an annual schedule of ordinary meetings. In addition, the committee may rely on external advisors to properly carry out its duties.

d) Main proceedings of the Nomination Committee in 2021:

In 2021, the main proceedings of the Nomination Committee have revolved around the following areas:

1. Proceedings relating to appointment and removal of directors and senior managers

In the meeting held on 7 June 2021, the Nomination Committee resolved to give a favourable report to the motion on the re-election of Mr José Arnau Sierra to the board of directors as non-executive proprietary director and member of the Executive Committee and all board committees.

The Committee had previously approved an explanatory report on the analysis of prior needs of the Board, for the purposes of the re-election of the above referred director.

Mr Arnau's re-election was approved at the Annual General Meeting held on 13 July 2021. The relevant report issued by the Nomination Committee was made available to the shareholders on the corporate website at the time the notice calling the Annual General Meeting was posted.

In the meeting held on 7 June 2021, the committee (i): acknowledged the resignation tendered by Mr Ramón Reñón Túñez from his position as Director General Adjunto al Presidente [*Deputy General Manager*]. This position is made redundant. It also (ii) gave a favourable report to the re-election of all members of the Social Advisory Board.

Finally, in the meeting held on 29 November 2021, the Nomination Committee:

- acknowledged the resignation tendered by Mr Pablo Isla Álvarez de Tejera from his positions as Chairman and member of the board of directors and the Executive Committee, effective as of 31 March 2022.
- Gave a favourable report to the motion on the co-option of Ms Marta Ortega Pérez to the board as proprietary director and (non-executive) Chair, effective as of 1 April 2022.
- Acknowledged the resignation tendered by Mr Carlos Crespo González, who stepped down from the board, where he was an executive director, and consequently, from his positions as CEO and member of the Executive Committee, effective immediately. The committee gave a favourable report to the motion on his appointment as COO & Head of Digital and Sustainable Transformation.
- Acknowledged the resignation tendered by Mr Óscar García Maceiras from his position as General Counsel and Secretary of the Board and its committees and gave a favourable report to the motion on his co-option to the board, as executive director, effective immediately, as well as his appointment as CEO and member of the Executive Committee.

- With regard to the above referred motions, the Nomination Committee approved in said meeting the report on the prior analysis of board needs.
- Acknowledged the resignation tendered by Mr Javier Monteoliva Díaz from his position as Deputy Secretary of the board of directors, effective immediately, and gave a favourable report to the motion on his appointment as General Counsel and Secretary of the Board and its committees.
- Gave a favourable report to the motion on the creation of a Management Committee and on its composition.

The Nomination Committee played an active role, having evaluated beforehand the needs of the Company, and the competences, knowledge and experience required by the board on account of the business complexity, the strategic priorities and the commitment undertaken by the board to encourage an appropriate and diverse membership. Likewise, it commissioned a suitability analysis of prospective candidates from an external facilitator.

All the above referred motions or reports, where appropriate, were approved by the board of directors in the meeting held on that same day.

2. Proceedings relating to the process to evaluate the performance of the board of directors, its members and committees, the Executive Chairman, the CEO, the Lead Independent Director and the Secretary of the board.

Pursuant to the provisions of the Board of Directors' Regulations and the Nomination Committee's Regulations and, in line with the Recommendations of GGC and Recommendation 7 of Technical Guide 1/2019, the Nomination Committee submitted to the board of directors on 13 September 2021 the supervision of the "Annual Programme for the Evaluation of the Board of Directors, the Directors, the Committees, the Executive Chairman, the CEO, the Secretary and the Lead Independent Director" for 2021.

Such programme covers the preparation and supervision of the annual evaluation of the performance of the board, its members and committees, the Executive Chairman, the CEO, the Lead Independent Director and the Secretary of the Board. The evaluation process has been updated in 2021, as described in section C.1.17 above.

Likewise, pursuant to Inditex' internal regulations and best practices in the field of corporate governance, the Nomination Committee approved on 13 December 2021 the report on the annual evaluation of the performance of the Board of Directors, the Executive Chairman, the CEO, the Secretary of the Board, the Lead Independent Director, the directors and board committees. Such report was subsequently approved by the board in the meeting held on 14 December 2021.

The findings of the evaluation carried out in 2021 show that in general, directors are satisfied with regard to the areas evaluated.

3. Ascertaining compliance with the Diversity of Board of Directors Membership and Director Selection Policy

In the meeting held on 14 March 2022, the Nomination Committee assessed compliance with the Diversity of Board of Directors Membership and Director Selection Policy in the process to re-elect and appoint directors via the co-option system carried out in 2021.

4. Internal regulations

In the meeting held on 7 June 2021, the committee gave a favourable report to the motion on the amendment of its own terms of reference, which it submitted to the board of directors, to relax the existing system to hold meetings, expressly including the possibility of virtual-only meetings.

In said meeting, pursuant to the provisions of section 6(a) of its terms of reference, the Nomination Committee gave a favourable report to the motion on the amendment to the Diversity of Board of Directors Membership and Director Selection Policy, to bring it into line with Act 5/2021

Both motions were approved by the board of directors in the meeting held on 8 June 2021.

5. Schedule of dates and agenda of business to be transacted:

Pursuant to recommendations of CNMV's Technical Guide 1/2019, the Nomination Committee approved in the meeting held on 13 December 2021 the schedule of dates and agenda of business to be transacted by the committee in 2022.

6. Report on its proceedings

The Nomination Committee issued the annual report on its proceedings on 7 June 2021. It was published in the 2020 Annual Report and is available on the corporate website.

REMUNERATION COMMITTEE

Article 30 of the Articles of Association, section 17 of the Board of Directors’ Regulations and the Remuneration Committee’s Regulations set out the regulations governing the Remuneration Committee.

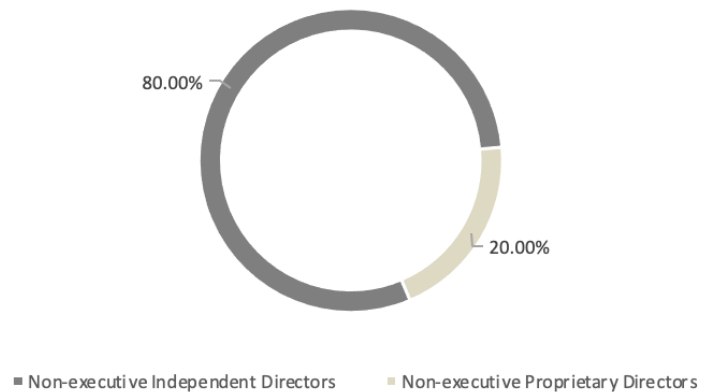
Composition of the Remuneration Committee as at 31 January 2022:

Name	Position	Directorship type
Mr Rodrigo Echenique Gordillo	Chair	Independent
Bns. Denise Patricia Kingsmill	Ordinary member	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Mr José Luis Durán Schulz	Ordinary member	Independent
Mr Emilio Saracho Rodríguez de Torres	Ordinary member	Independent
% executive directors		0%
% proprietary directors		20.00%
% independent directors		80.00%

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Remuneration Committee.

The structure of the Remuneration Committee is addressed in the sections below. It is represented in the image below

REMUNERATION COMMITTEE



Explain the duties assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organization and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.

a) Composition

Pursuant to article 30 of the Articles of Association and section 7 of its own terms of reference, the Remuneration Committee shall be made up of a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom shall be independent. Members of such committee and in particular its Chair shall be appointed considering the appropriate knowledge, qualifications and expertise based upon the duties they must discharge, including among others, the analysis and strategic assessment of human resources and the design of remuneration policies and schemes for directors and senior managers. The Chair of the Remuneration Committee shall be appointed by the board of directors out of the independent members of the committee.

Likewise, the board of directors shall encourage a diverse committee membership in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that are a result of the smaller size of the Committee.

b) Duties

The mission and powers of the Remuneration Committee are addressed in article 30 of the Articles of Association, section 17 of the Board of Directors' Regulations and sections 5 and 6 of the Remuneration Committee's Regulations.

The Remuneration Committee has not been assigned any powers other than those expressly entrusted by statute, and the Recommendations set forth in the Good Governance Code.

c) Organizational and operational rules

The Remuneration Committee shall meet at least 3 times a year and each time that its Chair calls it. The Chair of the Remuneration Committee shall call it whenever the board of directors or its Chairman requests the issuing of a report or the adoption of proposals within its remit and, at any rate, whenever this is suitable for the successful performance of its functions.

The Chair may arrange working meetings to prepare committee meetings on specific topics apart from the formal meetings.

Ordinary meetings shall be called by letter, fax, telegram or e-mail and the meeting notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members, present or represented are in attendance. The committee may also pass resolutions in writing, without holding a meeting, pursuant to statutory provisions.

Committee meetings may be held via videoconference or conference call, or any other equivalent system allowing to recognize and identify attendees, for them to communicate, speak and cast vote, all of it in real time.

Likewise, for the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee shall prepare an annual working plan, which shall include, at least, the specific objectives for the financial year and an annual schedule of ordinary meetings. The committee may rely on external advisors to duly perform the duties it has been entrusted with.

d) Main proceedings of the Remuneration Committee in 2021:

In 2021 the most relevant proceedings of the Remuneration Committee have revolved around the following areas:

1. Remuneration of executive directors and Senior Managers

The Remuneration Committee resolved in the meeting held on 8 March 2021 to give a favourable report and submit to the board of directors:

- The proposal on the remuneration of the Executive Chairman and the Chief Executive Officer for the performance of executive functions in 2021, with regard to the amount and the remaining terms thereof. Such proposal was approved by the Board of Directors on 9 March 2021.
- The evaluation of the level of achievement of the targets tied to the annual variable remuneration of the Executive Chairman and the Chief Executive Officer for financial year 2020. The Board of Directors assessed the achievement of such targets in the meeting held on 9 March 2021, considering the extraordinary situation derived from the global COVID-19 pandemic.
- The basic terms of the senior manager employment contract of Mr Óscar García Maceiras as General Counsel and Secretary of the Board and to submit it to the board for approval. The Board of Directors approved such contract on 9 March 2021.

Likewise, in the meeting held on 7 June 2021, the committee resolved to give a favourable report and submit to the board of directors the terms of termination of senior manager employment agreement associated with the retirement of Mr Ramón Reñón Túdez.

Last, in the meeting held on 13 December 2021, the committee resolved to give a favourable report and submit to the board of directors:

- The motion to novate Mr Pablo Isla Álvarez de Tejera's contract in order to strengthen the post-contractual non-compete clause therein included and to compensate him for his departure. The Board of Directors approved such motion at its meeting held on 14 December 2021 and further resolved to submit the offer of novation of such contract to Mr Isla and, if accepted, to submit it to the shareholders for approval at the Annual General Meeting in 2022.
- The motion on the basic conditions of the new executive services contract of the current Chief Executive Officer.

Both motions were approved by the Board of Directors in the meeting held on 14 December 2021.

2. Duties relating to the remuneration and the remuneration policy for directors and senior managers

The committee resolved in the meeting held on 7 June 2021 to give a favourable report to the draft Remuneration Policy for Directors for FY2021, FY2022 and FY2023, to be assessed and approved by the board of directors and subsequently put to an advisory say-on-pay vote at the 2021 Annual General Meeting. The Policy was approved at the Annual General Meeting held on 13 July 2021.

3. 2019-2023 Long-term Incentive Plan

In the meeting held on 7 June 2021, the Remuneration Committee reviewed the following up and the evaluation of the level of achievement of certain metrics of the 2019-2023 Long-Term Incentive Plan.

4. 2021-2025 Long-term Incentive Plan

In the meeting held on 7 June 2021, the Remuneration Committee resolved to give a favourable report and submit the proposal on the design of the 2021-2025 Long-Term Incentive Plan, for evaluation and approval by the Board of Directors and subsequent submission to the binding vote at the Annual General Meeting in 2021. The Plan was approved by the board of directors in the meeting held on 9 March 2021 and at the Annual General Meeting held on 13 July with 99.43% of votes in favour.

In this regard, the committee resolved in the meeting held on 13 December 2021 to give a favourable report and submit to the board for approval, the proposal on the performance scales for the first cycle (2021-2024) of the 2021-2025 Long-Term Incentive Plan for each metric and the favourable report to the draft Plan Regulations. Such Plan Regulations were approved by the board of directors in the meeting held on 14 December 2021. In that same meeting, the committee acknowledged the list of beneficiaries of such first cycle.

5. Annual Report on Remuneration of Directors for 2020

The Remuneration Committee resolved in the meeting held on 8 March 2021 to raise the 2020 Annual Report on Remuneration of Directors to the board of directors for approval, which it did in the meeting held on 9 March 2021.

Such report was submitted to CNMV as a relevant fact and is available on CNMV's website. Additionally, pursuant to section 541LSC, the 2020 Annual Report on Remuneration of Directors was approved at the Annual General Meeting held on 13 July 2021, having been put to an advisory say-on-pay vote.

6. Internal regulations

In the meeting held on 7 June 2021, the Remuneration Committee gave a favourable report and resolved to submit to the board of directors the partial amendment to its own terms of reference for the purposes of (i) allowing a higher flexibility to the system set to hold meetings, including the possibility of holding virtual-only meetings, (ii) extending the diversity yardsticks to be considered regarding membership on the committee, in line with the provisions of the terms of reference of the remaining board committees.

7. Report on its proceedings

The Remuneration Committee issued the annual report on its proceedings on 7 June 2021. It was published in the 2020 Annual Report and is available on the corporate website.

8. Schedule of dates and agenda of business to be transacted

Pursuant to recommendations of CNMV's Technical Guide 1/2019, the Remuneration Committee approved on 13 December 2021 the schedule of dates and agenda of business to be transacted by the Committee in 2021.

SUSTAINABILITY COMMITTEE

Article 30*bis* of the Articles of Association, section 17*bis* of the Board of Directors' Regulations, and the Sustainability Committee's Regulations set out the regulations governing the Sustainability Committee.

Composition of the Sustainability Committee as at 31 January 2022:

Name	Position	Directorship type
Bns. Denise Patricia Kingsmill	Chair	Independent
Ms Anne Lange	Ordinary member	Independent
Ms Pilar López Álvarez	Ordinary member	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Mr José Luis Durán Schulz	Ordinary member	Independent
% executive directors		0 %
% proprietary directors		20 %
% independent directors		80 %
% affiliate directors		0 %

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Sustainability Committee.

The structure of the Sustainability Committee is addressed in the sections below. It is represented in the image below:



Explain the duties assigned to this committee and describe the rules and procedures for its organization and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.

a) Composition:

Pursuant to article 30*bis* of the Articles of Association and section 9 of its own terms of reference, the Sustainability Committee shall be made up of a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom shall be independent. Members of such Committee and in particular its Chair, shall be appointed considering the appropriate knowledge, qualifications and experience based upon the duties they must discharge, in particular in the field of sustainability, social action initiatives, sustainable management of resources and design of communication policies with stakeholders.

The board of directors shall encourage a diverse committee membership in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that are a result of the smaller size of the committee.

b) Duties:

Pursuant to article 30*bis*(3) of the Articles of Association, section 17*bis* of the Board of Directors' Regulations and sections 5 to 8 of the Sustainability Committee's Regulations, the Sustainability Committee shall have the following basic responsibilities:

- Powers relating to sustainability: (i) to oversee that environmental and social practices of the Company are aligned with the strategy and the policy set by the Company; (ii) to oversee monitoring of the entire supply chain and compliance by its members with Inditex's Code of Conduct for Manufacturers and Suppliers; (iii) to establish that the products that the Company sells comply with the product health and safety standards; (iv) to establish compliance with the most exacting environmental standards, encouraging biodiversity conservation and the

sustainable management of natural resources in respect of use of raw materials, production processes, product and store; and (v) to establish compliance with Inditex's Policy on Human Rights across the entire value chain.

- Powers relating to the relations with the different stakeholders: (i) To oversee and evaluate – in coordination with the Audit and Compliance Committee, with regard to issues that fall under its purview – the strategy on communication and relations with shareholders – including small and medium shareholders – investors, proxy advisors and other stakeholders, and the enforcement of the Policy on Disclosure of Economic-Financial, non-Financial and Corporate information; and (ii) to oversee –in coordination with the Audit and Compliance Committee- the process for preparing and releasing the regulated and non-regulated non-financial information, as well as the integrity and clarity thereof, with regard to the issues that fall under its purview.
- Other powers entrusted to the Sustainability Committee: (i) to report on the appointment and removal of the members of the Social Advisory Board of the Company, before the report issued by the Nomination Committee, assessing the suitability, competences, knowledge, experience and other occupations of the prospective candidates; (ii) to assess the draft bills and the amendments of national as well as foreign or international regulations on sustainable development, corporate social responsibility and related issues, and their potential impact on the Group's activity; (iii) to issue reports on the internal regulations of the Company on matters that fall within its purview; and, (iv) to assess the draft bills and the amendments of national as well as foreign or international regulations on sustainable development, corporate social responsibility and related issues, and their potential impact on the Group's activity.

c) Organizational and operational rules.

The Sustainability Committee shall meet at least 3 times a year and each time that its Chair calls it. The Chair must call the Sustainability Committee whenever the board of directors or its Chairman would request the issue of a report or the approval of motions within the scope of its powers and, at any rate, whenever it is useful for the successful performance of its functions.

Ordinary meetings shall be called by letter, fax, telegram or e-mail and the meeting notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members, present or represented are in attendance. The committee may also pass resolutions in writing, without holding a meeting, pursuant to statutory provisions.

Likewise, the Chair may arrange working meetings to prepare committee meetings on specific topics apart from the formal meetings of the committee.

Committee meetings may be held via videoconference or conference call, or any other equivalent system allowing to recognize and identify attendees, for them to communicate, speak and cast vote, all of it in real time.

For the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee shall prepare an annual working plan, which shall include, at least, the specific objectives for the financial year and an annual schedule of ordinary meetings. The committee may rely on external advisors to duly perform the duties it has been entrusted with.

d) Proceedings of the Sustainability Committee in 2021:

The most relevant proceedings of the Sustainability Committee in 2021 have revolved around the following areas:

1. With regard to overseeing the process to prepare and release regulated and non-regulated non-financial information

As part of its oversight duties regarding the process to prepare and release regulated non-financial information, the Sustainability Committee gave, in the meeting held on 8 March, a favourable report to the Statement on Non-Financial Information (SNFI) as regards the issues that fall under its purview. The SNFI was approved by the board of directors in the meeting held on the following day.

Likewise, in the meeting held on 7 June 2021, it gave a favourable report to the 2020 Annual Report as regards the issues that fall under its purview. Such Annual Report was approved by the board of directors in the meeting held on the following day.

Last, the committee acknowledged in the meeting held on 13 September 2021 the presentation given by the Sustainability Committee on the main actions, progress and estimated action plan with regard to the internal reporting system

2. With regard to monitoring the social and environmental sustainability strategy and practices

In the meeting held on 8 March 2021, the committee acknowledged the update of the 2025 Sustainability Plan and resolved on 7 June 2021 to acknowledge the presentation given by the Sustainability Department on its strategic lines.

Meanwhile, in its meeting dated 8 March 2021, the Sustainability Committee: (i) acknowledged the 2020 Annual Report on Sustainability Activities, and the 2021 Annual Work Plan; and (ii) approved the 2021 budget.

Last, in the meeting held on 13 September 2021, the committee acknowledged the presentation on the update on the sustainability targets announced at the Annual General Meeting held on 13 July 2021.

3. With regard to Human Rights

In the meeting held on 7 June 2021, the committee resolved to give a favourable report to the Statement on the action taken to prevent any manner of slavery and human trafficking within the organization and its supply chain for 2020, and submit it to the board of directors, pursuant to the provisions of section 54 of the UK Modern Slavery Act, the California Transparency in Supply Chain Act and section 14 of the Australian Modern Slavery Act.

4. With regard to monitoring of applicable regulations

In the meeting held on 8 March 2021, the committee acknowledged the presentation given by the Sustainability Department on regulatory environment in the field of Sustainability. Likewise, the Sustainability Committee acknowledged in the meeting held on 13 September 2021 the update of the Sustainability Department on EU regulatory initiatives on sustainability in the textile industry.

5. With regard to the monitoring of the supply chain

In the meeting held on 13 December 2021, the Sustainability Committee acknowledged the presentation given by the Sustainability Department on the supply chain of the Group.

6. Other powers entrusted to the Sustainability Committee

In the meeting held on 7 June 2021, the committee gave a favourable report to the motion on the amendment of its own terms of reference, which it submitted to the board of directors, to relax the existing system to hold meetings, expressly including the possibility of virtual-only meetings.

In that same meeting, it acknowledged the presentation given by the Sustainability Department on the self-consumption project with a wind-powered renewable energy system set up in A Coruña port.

7. Schedule of dates and business to be transacted

The Sustainability Committee approved in the meeting held on 13 December 2021 the schedule of dates and agenda of business to be transacted by the Committee in 2022.

8. Report on its proceedings

The report on the Sustainability Committee was issued on 7 June 2021 and was published in the 2020 Annual Report. It is available on the corporate website.

C.2.2. Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	2021	2020 Number %	2019 Number %	2018 Number %
Executive Committee	12.5%	12.5%	12.5%	14.3%
Audit and Compliance Committee	42.85%	42.85%	42.85%	33.3%
Nomination Committee	40%	40%	40%	33.3%
Remuneration Committee	20%	20%	20%	33.3%
Sustainability Committee	60%	60%	60%	-

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The terms of reference of the Audit and Compliance Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee are available on the corporate website (Section “*Compliance*”, sub-section “*Corporate Governance*”):

- **Audit and Compliance Committee:**

<https://www.inditex.com/en/compliance/corporate-governance/board-of-directors/audit-and-compliance-committee-s-regulations>

- **Nomination Committee:**

<https://www.inditex.com/en/compliance/corporate-governance/board-of-directors/nomination-committee-s-regulations>

- **Remuneration Committee:**

<https://www.inditex.com/en/compliance/remuneration-committee-s-regulations>

- **Sustainability Committee:**

<https://www.inditex.com/en/compliance/corporate-governance/board-of-directors/sustainability-committee-regulations>

Additionally, information on board committees is also included in the Board of Directors’ Regulations and in the Articles of Association. The full text of the Board of Directors’ Regulations is available on both the corporate website: <https://www.inditex.com/en/compliance/corporate-governance/board-of-directors/regulations-of-the-board>, and on CNMV’s website (www.cnmv.es)

The Audit and Compliance Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee prepare on an annual basis a report on the activities they have carried out in the year, which is included in the Annual Report published ahead of the Annual General Meeting.

The latest amendment to the terms of reference of board committees was approved by the board of directors in the meeting held on 8 June 2021, as hereunder laid forth.

D. Related party and intragroup transactions

The related party transactions carried out in 2021 are addressed below in accordance with the definitions, criteria and groupings provided in section 540 LSC, as amended by Act 31/2014, and chapter VI LSC, as amended by Act 5/2021.

D.1 Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Pursuant to the provisions of section 5.3(b)(vii) of the Board of Directors' Regulations, the Audit and Compliance Committee shall report on the transactions of the Company or any company of its Group with directors, significant shareholders (i.e. shareholders owning 10% or more of the voting rights or any shareholder represented on the Board of Directors or who has proposed the election of any board member), or with any other person qualifying as related party in accordance with the definition provided in IAS 24 of Commission Regulation (EC) 1126/2008 of 3 November adopting certain international accounting standards, and with their respective Related Persons, as referred to in Section 40 of the Board of Directors' Regulations.

Such related party transactions shall be approved by the board of directors, following a favorable report of the Audit and Compliance Committee, except for those which shall be approved at the Annual General Meeting, on account of their value or special nature.

Any transaction with a director for a value in excess of ten (10%) of the corporate assets shall be approved by the General Meeting of Shareholders.

The board of directors shall not approve related party transactions without a prior report from the Audit and Compliance Committee assessing whether it is fair and reasonable.

In this regard, section 13(c) of the Audit and Compliance Committee's Regulations provides that it is incumbent on such Committee to advise the board of directors on any transaction that the Company or the companies comprising its corporate Group intend to carry out with directors, significant shareholders or shareholders who hold a significant stake or who have proposed the appointment of any director of the Company, or with their respective related persons, from an arm's length perspective.

In the event of transactions with significant shareholders, the Audit and Compliance Committee shall also examine them from the standpoint of an equal treatment of all shareholders.

The Company shall report on any transactions carried out with its directors, significant shareholders and Related Persons in the half-yearly public periodic information and in the Annual Corporate Governance Report, within the scope provided by statute in each case.

Likewise, the Company shall include in the notes to the annual accounts information on the transactions carried out by the Company or any companies within the Inditex Group with directors or with those acting on their behalf, whenever they do not fall within the scope of the ordinary course of business of the Company or are not carried out on an arm's length basis.

Pursuant to section 40 5 of the Board of Directors' Regulations, which has also been amended to be brought into line with the terms of the new section 529 *duovicies*(4) LSC introduced by Act 5/2021, the board of directors has delegated to the Compliance Supervisory Board the approval of the following transactions.

(a) Transactions between companies of the Inditex Group made in the ordinary course of business of such companies and on an arm's length basis; and,

(b) Transactions which cumulatively meet the following 3 requirements:

- they are carried out pursuant to standard agreements and applied *en masse* to a large number of clients;
- they are carried out at such prices or rates generally set by the provider of the good or service in question; and
- their value does not exceed 0.5% of the company's net turnover.

Such transactions are subject to the Internal Procedure for Periodic Reporting and Control on Related Party Transactions, which is part of the internal regulations of the company in the field of corporate governance and seeks to govern the procedure for periodic control and reporting applicable to related party transactions whose approval has been delegated to the Compliance Supervisory Board. It ultimately seeks to ensure that such transactions are equitable and transparent and that applicable statutory requirements are met.

The board's approval shall not be required for such transactions that must be carried out on grounds of urgency provided that this is duly supported. However, such transactions shall be subsequently confirmed by the board of directors.

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

No significant transactions have been carried out in 2021 between the Company or any company within the INDITEX Group and its controlling shareholder Pontegadea Inversiones, S.L., or with Partler Participaciones, S.L.U. (or Partler 2006, S.L.) or Rosp Corunna Participaciones Empresariales, S.L.U and with any persons and companies related thereto.

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

With regard to the remuneration received by directors and officers, reference is made to the provisions of sections C.1.13 and C.1.14 above.

Name (person or company) of directors or officers	Name (person or company) of the related party	Relationship	Type of transaction	Amount (thousand euros)
-	-	-	-	-

No relevant transactions have been carried out in 2021 between the Company or entities of its group and the directors and officers of the Company

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

No transactions as described in this section have been carried out in 2021.

Transactions undertaken by Inditex with its subsidiaries are part of their ordinary course of business as regards their purpose and terms. They have been fully eliminated on consolidation and therefore, they are not broken down in this section.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the transaction	Amount (thousand euros)
Joint Control Companies (1)	Purchase of goods	970,261
100% Subsidiaries (2)	Sale of goods and provision of services to stores	13,686

(1) Transactions between Inditex or any company of the Inditex Group with Tempe and/or its subsidiaries are made in their ordinary course of business as regards their purpose and terms. Being jointly controlled entities, they are consolidated using the equity method.

(2) The above mentioned transactions are exclusively within the ordinary course of business of the Group through its stores, not being due to tax reasons, and are made on arm's length basis. As at 31 January 2022, transaction of the Group with Group companies residing in countries or territories considered tax havens under Spanish laws, correspond to sales through 6 stores of the Group located in Macau and in Monaco.

D.5. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousand euros)

No other transactions with other related parties have been carried out.

D.6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

Section 34 of the Board of Directors' Regulations addresses potential situations of conflict of interest for board members:

"1. It shall be understood that a conflict of interest situation exists where there is a direct or indirect conflict between the interest of the Company and the personal interest of a director. It is considered that directors have a personal interest when the matter affects them or any of their Related Persons.

For the purposes of these Regulations, Related Persons are understood as being the following:

- a) The spouse of the director or any other person deemed to be equivalent to a spouse;*
- b) the ancestors, descendants and siblings of the director or of the spouse (or any other person deemed to be equivalent to a spouse) of the director;*
- c) the spouse (or any other person deemed to be equivalent to a spouse) of the ancestors, descendants and siblings of a director;*
- d) Those companies or entities where directors would hold, directly or indirectly, even via a nominee a significant shareholding giving them a significant influence or, if they hold in them or in their parent companies an office in their governing body or act a senior manager thereof. For such purposes, any shareholding equal to or in excess of 10% of the share capital of the company or of its voting rights or based upon which a representation on the governing body of the company has been secured de facto or de iure, shall be deemed to give significant influence.*
- (e) Shareholders represented by a director on the Board of Directors.*

With regard to directors who are legal entities, Related Persons are understood as being the following:

- a) Those partners who are included with regard to the Director legal entity, in any of the situations provided in Section 42 of the Code of Commerce;*
- b) The representative, who is a natural person, the director de iure or de facto, the liquidators and the attorneys-in fact with general powers of the director, who is a legal entity;*
- c) Those companies that are part of the same corporate group, as defined in Section 42 of the Code of Commerce, and their shareholders; and,*
- d) Those persons who are understood, with regard to the director who is a legal entity, as being related persons in accordance with the provisions of the paragraph above regarding directors who are natural persons.*

The following rules shall apply to the conflict of interest situations:

- a) Prevention: directors must take all necessary measures to prevent, as far as possible, becoming involved in any situations in which their interests may, either on their behalf, or on behalf of third parties, be in conflict with the interest of the company and with their duties towards the company.*
- b) Information: without prejudice to their obligation of active prevention, directors must inform the Board of Directors, through the Chairman or the Secretary thereof, of any conflict of interest situation in which they are involved.*
- c) Abstention: directors must abstain from attending and taking part in the discussions and voting of those matters regarding which they are in a conflict of interest situation, with the exceptions provided in the applicable laws. Likewise, with regard to proprietary directors, they shall abstain from taking in the voting of those matters that might entail a conflict of interest between those shareholders that had proposed their appointment and the Company, with the exceptions provided for in the applicable regulations.*
- d) Transparency: the Company must disclose in the notes to the annual accounts any conflict of interest situation in which a director is, that the Company is aware of by virtue of the information of same by the affected person, or by any other means."*

In addition, sections 33 and 35 to 37 of the Board of Directors' Regulations address the following situations which can give rise to conflicts of interest: (i) the rendering of professional services in competing companies (section 33); (ii) the use of corporate assets (section 35); (iii) the use of non-public Company information for private ends (section 36), and (iv) taking advantage of business opportunities of the Company (section 37).

Moreover, section 39 of the Board of Directors' Regulations provides that directors must inform: (i) the Company of the shares of its share capital that he/she directly or indirectly holds. Likewise, they must inform about those other shares which are held, directly or indirectly, by their closest relatives, all of which is in accordance with the provisions of the Internal Regulations of Conduct in the Securities Markets; (ii) the Company of any conflict of interest situation, either direct or indirect, in which either themselves or their Related Parties may be involved in respect of the interest of the Company; and (iii) the Nomination Committee of all the positions they hold and the activities they carry out in other companies or entities

and, in general, about any fact or situation which may be relevant for the performance of their duties as director of the Company (in this regard, and without prejudice to the obligation of offering their resignation to the board of directors, provided in Section 25 of the Board of Directors' Regulations- which addresses the resignation, removal and dismissal of directors-, directors shall inform the board of any other change in their professional situation and of any circumstance which might harm the name and reputation of the Company or jeopardize its interests); and (iv) of any legal, administrative proceedings or other proceedings whatsoever brought against them and which might, given their relevance or description, seriously affect the reputation of the Company. Namely, directors shall inform the Company via the Chairman of the board of directors, of any criminal charges brought against them as well as how the legal proceedings subsequently unfold. The Board of Directors shall examine the case, as soon as possible, and shall take, following a report of the Nomination Committee and based upon the interest of the company, such measures as it may deem fit, such as the opening of an internal investigation, calling on a director to resign or proposing his/her dismissal.

In such case, the Company shall report the measures taken in the Annual Corporate Governance Report, unless there are special circumstances which justify otherwise, which must be recorded in the minutes.

Additionally, section 1 of the Board of Directors' Regulations provides that the rules of conduct therein established for directors shall apply, to the extent that they are compatible with their specific nature, to the senior managers of the company who are not directors. More particularly and with the due nuances, the following sections shall apply to senior managers: section 32 (duty of confidentiality), 34 (conflicts of interest), in connection with the duty of informing the Company, 35 (use of corporate assets), 36 (non-public information), 37 (business opportunities), and 38 (prohibition to make undue influence of the office).

With regard to significant shareholders, section 40 of the Board of Directors' Regulations provides that:

"1. The Board of Directors reserves the right to be apprised of any transaction between the Company or any of its subsidiaries with directors, with shareholders owning 10% or more of the voting rights or represented on the Board of Directors, or with any other person qualifying as related party in accordance with the definition provided in International Accounting Standards.

2. The approval of a related party transaction must be subject to the prior report of the Audit and Compliance Committee. In such report, the committee shall consider whether the transaction is fair and reasonable from the standpoint of the Company and, if appropriate, of any shareholder other than the related party, and in accordance with the requirements laid down for each case in the applicable regulations. Affected directors will not take part in the preparation of such report.

3. Where duly supported reasons for urgency exist, related party transactions may be approved, if appropriate, by delegated bodies or individuals. In such case, they must be ratified at the first board meeting held following their conduct.

4. The Company shall inform of the transactions conducted with directors, significant shareholders and Related Persons in the half-yearly public periodic information and in the Annual Corporate Governance Report, within the scope of applicable regulations. Likewise, the Company shall include on the notes to the annual accounts information on the transactions carried out by the company or any companies within the Inditex Group with directors and with those acting on their behalf, whenever they are alien to the ordinary course of business of the Company or are not carried out on an arm's length basis.

Related parties transactions whose value is in excess of 5% of the equity value or 2.5% of the annual turnover must be published on the Company's website at the latest on the date they are carried out, together with the report issued by the Audit and Compliance Committee. Likewise, they should be disclosed to the National Securities Market Commission to be publicly released.

5. The Board of Directors may delegate the approval of the following related-party transactions in the following cases:

(i) Transactions which cumulatively meet the following 3 requirements:

(a) they are carried out pursuant to standard agreements and applied en masse to a large number of clients;

(b) they are carried out at such prices or rates generally set by the provider of the good or service in question; and

(c) their value does not exceed of 0.5% of the company's net turnover.

(ii) Transactions among companies of the same group carried out within the ordinary course of company business and on an arm's length basis. Such transactions will be subject to the internal information and monitoring procedure overseen by the Audit and Compliance Committee.

6. The authorisation shall be granted by the General Meeting of Shareholders when it refers to any transaction with a director for a value which is in excess of 10% of the corporate asset."

As stated in section D.1 above, the Audit and Compliance Committee is responsible for reporting on the transactions that involve or are likely to involve any conflict of interest and the Nomination Committee is responsible for reporting on the authorization or release by the Board of Directors of the obligations stemming from the duty of loyalty of directors, where such responsibility is not incumbent on the General Meeting of Shareholders.

Although the system above described exclusively applies to directors and other individuals within the Company considered as senior managers, the Company has in place a number of mechanisms to detect, determine and solve potential conflicts of interest which may arise regarding officers and other employees.

Thus, section 4.8 of the Code of Conduct and Responsible Practices provides that: "*INDITEX's employees shall avoid any situation which might entail any conflict between their personal interests and those of the company. They shall also refrain from representing the company and from taking part or having a say in any decision making wherein they may have, either directly or indirectly, either themselves or through any related party thereto, any personal interest. They may not avail themselves of their position in the company to obtain any economic or personal benefit, or any business opportunity for them.*

No employee of INDITEX may render services as consultant, director, officer, employee or advisor to any of INDITEX's competitors, except for such services which may be rendered at the request of INDITEX or with the authorization of the Committee of Ethics.

INDITEX respects the private life of its employees and therefore the private sphere of their decisions. In the framework of this policy of respect, employees are urged to report to the Committee of Ethics any personal conflicts of interest or any conflicts of interest involving their relatives, that might jeopardize the necessary objectivity or professionalism of their duties within Inditex, so that, in the respect of the

confidentiality and privacy of individuals, the relevant measures might be taken for the mutual benefit of the company and of the affected individuals.

Namely, the cases below shall be considered as potential situations of conflict of interest and they shall be reported to the Committee of Ethics:

- The conduct by any employee or by any person related to him/her, either directly or indirectly, by themselves or through any company or institution, of any business which is the same, similar or supplementary to the business conducted by INDITEX.*
- The conduct by any employee or by any person related to him/her, either directly or indirectly, by themselves or through any company or institution, of any business which involves an exchange of goods and/or services, regardless of the remuneration system agreed.”*

On the other hand, the Board of Directors approved on 16 July 2019 the Conflicts of Interest Policy, following a favourable report of the Audit and Compliance Committee.

Such Policy seeks to supplement and implement the provisions of the Code of Conduct on conflicts of interest, defining the appropriate measures aimed at preventing, detecting, disclosing and managing such conflicts of interest which may affect employees in the performance of their job.

In this regard, section 4 of the Policy defines conflict of interest as *“any situation where an employee’s personal interest (direct conflict of interest) or the interest of any related party thereto (indirect conflict of interest) contradicts (actual conflict of interest) or may contradict (potential conflict of interest) the Company’s interest, jeopardizing the requisite objectivity or professionalism of such employee at the workplace.”*

Likewise, section 5 provides the obligation for employees to avoid where possible, being in any situations which may entail a direct or indirect, actual or potential conflict of interest.

Moreover, employees are bound to forthwith disclose to the Committee of Ethics any apparent or real conflict of interest situation which may arise, as well as any doubt they may have on whether a specific situation qualifies as conflict of interest. The Committee of Ethics shall be responsible for addressing the conflicts of interest situations which may arise between the Company and its employees

D.7 Indicate whether the company is controlled by another entity within the meaning of section 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes No

Pontegadea Inversiones, S.L owns 1,558,637,990 shares of the Company, which represents a 50.1% stake in its share capital. Transactions that are significant, either on account of the amount involved or of their nature, entered into between the company and the different entities within the Inditex Group and Pontegadea Inversiones, S.L and its related entities, are covered in section D.2 above. However, no new significant transaction has been entered into in financial year 2021.

Mandatory full information on related party transactions pursuant to the yardsticks and the disaggregation level envisaged in section 42 of the Code of Commerce is provided in the Notes to the annual accounts for FY2021. Such information includes the related party transactions carried out between the Company or any entity of the Inditex Group with its controlling shareholder, Pontegadea Inversiones, S.L. and/or any companies of its Group. Most of them refer to commercial leases.

The object of Pontegadea Inversiones, S.L. are holding stakes in trading companies and the purchase and disposal of stock, transferable securities and real estate.

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes No

Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported.

Transactions that are significant, either on account of the amount involved or of their nature, entered into between the company and the different entities within the Inditex Group and Pontegadea Inversiones, S.L and its related entities, are covered in section D.2 above.

Pursuant to section 40.4 of the Board of Directors' Regulations, the Company reports on the transactions carried out with its significant shareholders and their related parties in the periodic half-yearly information.

Additionally, pursuant to Recommendation 6 GGC, the report on related party transactions issued by the Audit and Compliance Committee is made available to the shareholders on the corporate website well in advance of the Annual General Meeting.

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

Section 40 of the Board of Directors' Regulations governs the procedure to approve transactions between the Company and its shareholders as well as the rules on the reporting thereof. It is fully transcribed in section D.6 above. In short: this type of transactions must be approved by the board of directors, following a report of the Audit and Compliance Committee, except for (i) transactions within the ordinary course of company business and of a habitual or recurrent nature. In such case, a general approval of the line of transactions will suffice; (ii) transactions which do not require the approval of the board of directors for meeting simultaneously a number of conditions; and (iii) any transaction with a director for a value which is in excess of 10% of the corporate assets. These latter must be approved by the General Meeting of Shareholders.

Likewise, as stated in section D.1 above, the Audit and Compliance Committee is tasked with reporting on transactions which entail or which might entail conflicts of interest situations.

E: Enterprise risk management systems

The information on the Enterprise Risk Management System is provided in section 5.10 – “Responsible risk management” of the Statement on Non-Financial Information (SNFI), which is an integral part of the Integrated Report.

F. Describe the mechanisms forming your company's Internal Control over Financial Reporting System (ICFR).

F.1. The entity's control environment

Give information on the key features of at least:

F.1.1. The bodies and/or functions that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

Board of Directors

Except for such matters exclusively within the purview of the shareholders at the General Meeting of Shareholders, the board of directors is the supreme decision-making, supervisory and monitoring body of the Group, being ultimately responsible for the existence and update of an appropriate and effective ICFR, as provided in the Policy on Internal Control System over Financial Reporting (the “ICFR Policy”), approved by the board of directors.

The board of directors is entrusted with the duties of leadership, management and representation of the Group, delegating as a general rule the management of the day-to-day business of the Company to the executive bodies and the management team and focusing on the general supervisory function, which includes guiding the policy of the Group, monitoring the management activity, evaluating officers' performance, making the most relevant decisions for the Group and liaising with the shareholders.

Audit and Compliance Committee

Pursuant to the provisions of the Articles of Association, the Board of Director's Regulations and the Audit and Compliance Committee's Regulations, and as part of its financial and monitoring duties, the committee shall oversee the process for preparing and releasing the regulated financial information, as well as the effectiveness of the Internal Control over Financial Reporting System, as provided in the ICFR Policy.

In this regard, the Committee carries out the following duties, without limitation:

- To oversee the effectiveness of the internal control system of the Group, the internal audit, and the risk management systems, including tax risks, as well as reviewing with the statutory auditor the significant weaknesses of the internal control system revealed, as the case may be, during the audit.
- With regard to the powers relating to the process of preparing the regulated financial information:
 - To oversee and evaluate on an ongoing basis the process of preparation and presentation as well as the clarity and integrity of the financial information and the directors' report relating to the Company and its Group, ensuring that the half-yearly financial reports and the quarterly management statements are drafted in accordance with the same accounting standards as the annual financial reports and to oversee the review of the interim financial statements requested from the statutory auditor, with the scope and frequency that may be defined, as the case may be.
 - To review compliance with statutory requirements, the appropriate delimitation of the consolidation perimeter and the correct application of the generally accepted accounting principles and international financial reporting standards as may be applicable.
 - To keep a fluent communication with the Company's Management to understand its decisions regarding the application of the most significant criteria; with the Internal Audit Function to be apprised of the findings of the reviews carried out; and with the external auditor or verifier, to obtain their opinion regarding financial information.
 - To be familiar with, understand, oversee and evaluate the effectiveness of the internal control over financial and non-financial reporting system and receive information on a regular basis from the supervisor thereof.
 - To submit recommendations or motions to the board of directors for the purposes of safeguarding the integrity of the financial information;
 - To assess and advice the board of directors on any significant changes in accounting standards and on the significant risks on the balance sheet and off-balance sheet;

- With regard to enterprise risk management:
 - To oversee the enterprise risk management function and establish that it operates pursuant to the provisions of the policy approved by the Board.
 - To receive on a regular basis reports from the Management or from the supervising areas, on the proceedings of risk management systems established, as well as on the results of the tests carried out by internal auditors relating to the same, and on any significant internal control weakness detected by the external auditors.
 - To evaluate the effectiveness of internal control and management systems relating to financial risks, as well as of the measures established to mitigate the impact of identified risks.
 - To promote a corporate culture within the Company wherein risk assessment is a factor upon decision-making, at all levels of the Company and its Group.
 - To identify and re-assess, at least on an annual basis, the most significant financial risks and the level of risk tolerance.
 - To identify and understand emerging risks as well as their alert mechanisms, and regularly evaluate their effectiveness.
 - To ensure that risks are kept and managed within the levels of risk tolerance set by the board of directors.
 - To ensure that the internal control policies and systems established by the company are effectively applied in practice.
 - To meet with the heads of business units at least once a year, and whenever the committee deems it appropriate, for the purposes of briefing the committee on business trends and risks associated with the respective areas under their remit.
 - To submit recommendations or motions to the board of directors and the relevant deadline for follow-up.

Most members of the Audit and Compliance Committee are non-executive independent directors. The committee meets on a quarterly basis and whenever it is called by its Chair. In 2021, the Audit and Compliance Committee has met 5 times.

Financial Department

The Financial Department is responsible for the design, roll-out and implementation of the ICFR system, keeping the system updated, monitoring its design and proceedings to ensure that it is effective and appropriate, communicating and training the parties involved and keeping a periodic report.

The Financial Department drafts and circulates the policies, guidelines and procedures, associated with financial reporting and ensures the appropriate enforcement thereof within the Group.

Internal Audit

The Internal Audit function supports the board of directors, through the Audit and Compliance Committee, with regard to the oversight duty relating to risk exposure, ensuring that appropriate and effective controls are set as an answer to risks in the field of governance, operations and information systems, regarding, inter alia, reliability and integrity of financial information and in particular, the Internal Control over Financial Reporting System (ICFR). To achieve this, Internal Audit carries out specific periodic ICFR audits, requests action plans to correct or reduce any weaknesses revealed and follows up on the implementation of the proposed recommendations.

The Internal Audit Charter, approved by the board of directors, covers the mission, authority and responsibilities of the Internal Audit function pursuant to both domestic and international regulations and standards for the professional practice of internal auditing.

Likewise, Internal Audit has been awarded the certificate of compliance with the “*International Standards for the Professional Practice of Internal Auditing*” by the Instituto de Auditores Internos, a member of the IIA (Institute of Internal Auditors).

F.1.2.. Indicate whether the following exist, especially in relation to the drawing up of financial information:

Departments and/or mechanisms in charge of: (i) the design and review of the organizational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination within the entity.

The board of directors is responsible for the design and review of the organizational structure and the lines of responsibility within the Group. The departments charged with drawing up the financial information are found within such structure.

Senior Managers and the Human Resources Department (HR Department) define the duties and responsibilities of each area.

The Group has clearly defined lines of authority and responsibility regarding the process to draw up financial information. The main responsibility regarding financial reporting lies with the Financial Department.

The structure, size and definition of duties and tasks of each position within the financial area are defined by the Financial Department and disclosed by the Human Resources Department.

The Financial Department is organized in the following departments: Administration, Planning and Management Control, Treasury, Enterprise Risk Management, Tax, and Processes and Projects.

With regard to ICFR, a specific management area was set up within the Financial Department, to which it reports, (the “ICFR Area”).

The Group relies on financial organizational structures that meet local requirements in each country where it operates, under the helm of a Chief Financial Officer who is charged, inter alia, with complying with the procedures set out within the ICFR System.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analyzing breaches and proposing corrective actions and sanctions.

The board of directors approved in the meeting held on 17 July 2012, following a favourable report of the Audit and Compliance Committee, the Code of Conduct and Responsible Practices and the Code of Conduct for Manufacturers and Suppliers of the Inditex Group.

Likewise, on 19 September 2017 the Board of Directors approved, following a favourable report of the Audit and Compliance Committee, the so called Integrity Policies of the Inditex Group.

The main internal conduct regulations of the Group are provided in:

- The Code of Conduct and Responsible Practices.
- The Code of Conduct for Manufacturers and Suppliers.
- The Integrity Policies, which are: (i) the Policy on Gifts and Business Courtesies; (ii) the Policy on Donations and Sponsorships, and; (iii) the Policy on Dealings with Public Servants
- The Conflicts of Interest Policy
- The Internal Regulations of Conduct in the Securities Markets (IRC)

Code of Conduct and Responsible Practices

The Code of Conduct and Responsible Practices provides the action lines which must be followed by the Group employees upon doing their job.

Its goal consists of exacting an ethical and responsible professional conduct from Inditex and its entire workforce in the conduct of business anywhere in the world, as a gist of its corporate culture built up on training and personal and professional career development for its employees. For such purposes, the principles and values which shall govern the relations between the Group and its stakeholders (employees, customers, shareholders, business partners, suppliers and the societies where its business model is implemented) are defined therein.

The Code of Conduct and Responsible Practices is based upon a number of overarching principles, inter alia, that according to which: (i) the Inditex Group shall carry out all its transactions under an ethical and responsible perspective; (ii) all persons, whether natural or legal, who maintain, directly or indirectly, any kind of professional, economic, social or industrial relationships with the Inditex Group shall be treated in a fair and honourable manner and; (iii) all the activities of Inditex shall be carried out in the manner that most respects the environment, promoting biodiversity preservation and sustainable management of natural resources.

One of the standards of conduct covered in the Code of Conduct and Responsible Practices is the “Obligation to Record Transactions”, addressed in section 4.13 thereof, according to which:

“Any and all transactions carried out by the Company which may have an economic impact shall be clearly and accurately shown on the appropriate records of accounts, as a true representation of the

transactions carried out, and they shall be made available to the internal and external auditors.

Inditex's employees shall enter the financial information on the company's systems in a full, clear and accurate manner, so that they would show, as at the relevant date, their rights and obligations in accordance with the applicable regulations. Additionally, the accuracy and integrity of the financial information which, under the prevailing regulations in force shall be disclosed to the market shall be ensured.

Inditex undertakes to implement and maintain an appropriate internal control system on financial reporting, ensuring the regular supervision of the effectiveness of such system.

Accounting records shall be at all times made available to the internal and external auditors. For such purposes, Inditex undertakes to provide its employees with the necessary training for them to understand and comply with the commitments undertaken by the company regarding the internal control on financial information."

Policy on Criminal Risk Prevention.

The Policy on Criminal Risk Prevention associates engagements of ethical behaviour undertaken pursuant to the Code of Conduct and Responsible Practices with such offences that it intends to prevent.

Similarly to the provisions of the Code of Conduct and Responsible Practices, section 2.9 of the Policy reads as follows: *"(...) any transaction of economic weight carried out by the Company shall be clearly and accurately recorded in appropriate accounting records that show the true and fair image of the transactions carried out. Such records must be made available to internal and external auditors.*

Inditex's employees shall enter the full financial information into the Company's systems in a clear and accurate manner so that they will show, as at the relevant date, its rights and obligations in accordance with the applicable regulations. Likewise, they shall ensure that the financial information that must be disclosed to the market under the prevailing regulations in force, is accurate and full.

Inditex is committed to implementing and keeping an appropriate internal control system in respect of financial reporting, ensuring that the effectiveness of such information is regularly monitored. For such purposes, required training will be offered so that employees may be apprised of and understand the company's commitments in the field of internal control on financial information."

The Policy, together with the Criminal Risk Prevention Procedure and the Scoping Matrix of Criminal Risks and Controls, comprise the Model of Criminal Risk Prevention of the Inditex Group. The Committee of Ethics is the governing body responsible for overseeing compliance with such Model and the effective and appropriate implementation of the controls therein set.

IRC

Compliance with the IRC is mandatory for all the persons included in its scope of application and any noncompliance may be reported in a confidential manner to the Committee of Ethics, pursuant to the provisions of the Ethics Line Procedure.

In this regard, noncompliance with the IRC may give rise to the relevant disciplinary sanctions, as the case may be, on account of civil, criminal and/or administrative liability, and to the obligation to compensate any damages incurred, where appropriate.

Finally, there is a Compliance Supervisory Board (the “CSB”) which reports directly to the Audit and Compliance Committee, composed of:

- The CEO
- The General Counsel and Secretary of the Board
- The CFO
- The Capital Markets Director, and
- The CHRO.

CSB is mainly responsible for developing procedures and implementing regulations to enforce the IRC. Likewise, the Compliance Office (the “CO”) reports to the CSB. The CO is part of the General Counsel’s Office, led by the General Counsel and the Board of Directors. The CO is charged, inter alia, with enforcing the conduct regulations of stock exchanges and the rules and procedures of the IRC on directors, officers, employees and any other person to which the IRC applies.

The IRC sets out the principles and criteria to ensure (i) that the information released to the market and to CNMV is reliable, clear, quantified and complete, avoiding subjective evaluations that lead or may lead to confusion or deception; as well as (ii) the appropriate use and dissemination of inside information and other relevant information of the Company.

The proceedings of the companies which are part of the Group and of all the individuals with access to information which may be deemed to be inside information and/or other relevant information, and namely financial information, shall comply with the following principles, without limitation: regulatory compliance, transparency, collaboration, information, confidentiality and neutrality. Both the CSB and the CO shall ensure that the above referred principles are observed.

With regard to the IRC, the CO keeps a General Documentary Register of Affected Persons. The CO informs Affected Persons that they are subject to the provisions of the IRC and reports any breaches and penalties which may result, as the case may be, from an inappropriate use of reserved information.

Likewise, the CO informs the Affected Persons that they have been included in the General Documentary Register.

Compliance with the Codes of Conduct of the Inditex Group and, in general, with its internal regulations of conduct is ensured through the Committee of Ethics, composed of:

- The General Counsel and Secretary of the Board, who chairs it.
- The Compliance Officer, in her capacity of Deputy Chair.
- The Chief Sustainability Officer
- The Chief Human Resources Officer
- The Chief Audit Officer, in an advisory capacity

The Committee of Ethics may act of its own motion or at the behest of any employee, manufacturer or supplier of Inditex, or any third party involved in a direct relation and with a lawful business or professional interest, further to a report made in good faith.

The Committee of Ethics reports to the board of directors through the Audit and Compliance Committee and has the following basic responsibilities:

- To oversee compliance with the Code and the internal circulation thereof to the Group's s personnel.
- To receive any manner of written instruments with regard to the enforcement of the Code and to send them, where appropriate, to the relevant body or department which may be responsible for processing and issuing a resolution regarding such instrument.
- To oversee the ethics line (formerly known as the "Whistle Blowing Channel") and compliance with the Ethics Line Procedure.
- To monitor and oversee proceedings and their settlement.
- To solve any doubts which may arise regarding the enforcement of the Code.
- To propose to the board of directors, following a report of the Audit and Compliance Committee, any explanation or implementation rule which the enforcement of the Code may require, and at least, an annual report to review its enforcement.
- To promote training plans for employees on internal conduct regulations and the proceedings of the ethics line.

In the performance of its duties, the Committee of Ethics shall ensure:

- The confidentiality of all the information and background and of the acts and deeds performed, unless the disclosure of information is required by law or by a court order.

To ensure that the Ethics Line is properly run, and that the privacy of the parties concerned is protected, the Committee of Ethics may address ex-officio anonymous concerns.

- The thorough review of any information or document that triggered its action.

- The commencement of proceedings that adjust to the circumstances of the case, where it shall always act with independence, fully respecting the right of the parties to be heard, to honour and to the presumption of innocence.
- Prohibition of retaliation and indemnity of anyone who reports through the Ethics Line in good faith.

Further to the launching of appropriate proceedings, the Committee of Ethics will take, as the case may be, the relevant prevention, remediation and/or disciplinary measures, including referring the matter to the relevant department which will be charged with taking, and at any rate applying, the remediation measures which may be necessary. Such remediation measures shall be reported to the Committee of Ethics.

Decisions of the Committee of Ethics are binding for the Inditex Group and its employees.

The Committee of Ethics submits a report to the Audit and Compliance Committee at least every six months, reviewing its proceedings and the enforcement of the Code of Conduct and Responsible Practices.

Additionally, the Audit and Compliance Committee appraises the board of directors, on an annual basis as well as whenever this latter so requires, of the enforcement of the Code of Conduct and Responsible Practices and the additional documents which comprise the Model of Compliance with internal regulations, from time to time in force.

With regard to the dissemination of the above referred conduct regulations, the Human Resources Department is responsible for circulating a copy of the Code of Conduct and Responsible Practices to any new employee when they join the organization.

Likewise, conduct regulations as amended are available on the corporate website under the Compliance tab, and on INET; they are subject to the appropriate measures regarding disclosure, circulation, training and awareness-raising, so that they may be understood and implemented within the whole organization.

- **Whistleblowing channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organization, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.**

An Ethics Line is available to all employees of the Group, manufacturers, suppliers or third parties with a direct relation and a lawful business or professional interest, regardless of their tier or geographic or functional location, so that they may report, even anonymously and within the remit of the Committee of Ethics, any breach of the Group's internal conduct regulations by employees, manufacturers, suppliers or third parties engaged in an employment, business or direct professional relations with the Group, which affect Inditex or its Group.

Therefore, any breach and/or any manner of malpractice, including those of a financial and accounting nature, may be reported.

The Committee of Ethics is responsible for overseeing the Ethics Line and compliance with the Ethics Line Procedure.

The proceedings of the Ethics Line are described in the Ethics Line Procedure approved by the board of directors on 17 July 2012 and amended on 10 December 2019. Such Procedure clarifies and reinforces guarantees and protective measures for all parties in the process: (i) maximum confidentiality; (ii) non-retaliation; (iii) presumption of innocence and respect for the right to honour of reported parties; (iv) the right of the parties to be heard, and; (v) appropriate use of personal data processed.

Full information on the Committee of Ethics and the Ethics Line is available on the intranet and on the corporate website under the “*Compliance – Corporate Ethics*” section, where a direct link to such Line is available.

Reports of noncompliance and/or queries regarding the construction or enforcement of internal conduct regulations may be sent to the Company either (i) by post - for the attention of the Committee of Ethics to the following postal address: Avenida de la Diputación, Edificio INDITEX, 15142 Arteixo, A Coruña (Spain) – or (ii) by e-mail - (ethicsline@inditex.com).

- **Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.**

The Group’s Training and Career Development Area, reporting to the HR Department, is charged with preparing, together with each of the areas reporting to the Financial Department, training and refresher courses addressed to staff responsible for drawing up and overseeing the financial information of each company within the Group. Such schemes include, both general courses, focusing on business expertise and knowledge of the different interrelated departments which make up the company, and specific schemes aimed at training and refreshing employees in respect of regulatory developments on financial reporting and oversight of financial information.

General Induction

Aimed at gaining internal knowledge of each business unit, as well as of each department and the respective activities, functions and duties within the business. Under this scheme, employees begin by working at the stores, getting directly acquainted with the whole process of running a store. Then, they spend time at different corporate departments at headquarters and their training is completed at any of the markets where the Group operates.

Specific training

Group employees responsible for the processes associated with the drawing up of financial information regularly take training and refresher courses that seek to acquaint them with local and international regulations on financial reporting, as well as with existing regulations and best practices in the area of internal control. A new e-learning platform (Tra!n) is available to employees, to train them on issues regarding financial reporting or information security, among others.

Within the financial environment, training and refresher schemes are arranged by the Human Resources Department liaising with each of the areas of the Financial Department.

Training courses are provided on an annual basis for all new heads of financial areas in each country, in order to get them acquainted with the Inditex Group's management model, as well as with the internal control system over financial reporting implemented by the Group.

Additionally, courses are taught by internal staff on the operation of financial software tools used to draw up the financial information.

Among the specialized training run to employees of the different units and areas of the Financial Department in the year, the following bears mention:

- Internal Control System over Financial Reporting
- COSO Internal Control – Integrated Framework
- Update on international accounting standards (IFRS)
- Financial management in SAP S4/HANA.
- ECA certification (equivalent to CPA)
- Update on local accounting standards
- Internal audit methodology and new regulations
- Update on tax regulations

Additionally, training schemes on local accounting regulations are in place in the different markets.

F.2. Assessment of risks in financial reporting

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- **Whether the process exists and is documented.**

The risk identification process has been documented in the Procedure for Enterprise Risk Management regarding Financial Reporting. This Procedure seeks to describe the mechanisms for identifying and assessing, on an annual basis, the risks which might lead to material errors in financial reporting

- **Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.**

The above referred risks management process consists of five stages:

- - Gathering financial information.
- - Identifying the operating processes with an impact on financial information.
- - Assessment of risks by the reporting unit of financial statements.
- - Prioritizing accounts criticality.
- - Checking risks versus operating processes.

As a result of such process, a scoping matrix of risks regarding financial information (ICFR Scoping Matrix) is updated on an annual basis. This Scoping Matrix allows identifying the material headings of the financial statements, the assertions or goals of financial information in respect of which any risks may exist, and the prioritization of operational processes which have an impact on financial information.

Assessment covers all the goals of financial information: (i) existence and occurrence; (ii) integrity; (iii) assessment; (iv) release and breakdown; and (v) rights and obligations.

Following the identification of potential risks, they are assessed on an annual basis based upon the management's information and understanding of the business and upon materiality criteria.

Assessment criteria are established (i) from a quantitative perspective in accordance with such parameters as turnover, size of assets and pre-tax profit; and, (ii) from a qualitative perspective in accordance with different issues such as transactions standardizing and processes automation, composition of accounting headings, changes versus the previous year, complexity of accounting, likelihood of fraud or error or degree of use of estimates in book recording.

- **The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.**

The Group relies on a Corporate Master of Companies wherein all the companies which are part of the Inditex Group are included. Such Master is at the basis of the consolidation perimeter and is managed and updated in accordance with the Procedure for Incorporating and Financing of Companies.

The Master covers, on the one hand, general corporate information, such as company name, accounting closing date and currency, and on the other, legal details such as the date of incorporation, share capital, list of shareholders, equity interest, and other relevant information. The Legal Department is responsible for updating the Master as regards legal information.

The External Reporting area, which reports to the Planning and Management Control Department, determines on a monthly basis the number of companies which make up the Consolidation Perimeter as well as the consolidation methods which apply to each of the companies included in the above referred perimeter

- **Whether the process takes into account the effects of other types of risk (financial, geopolitical, technological, environmental, social and governance) to the extent that they affect the financial statements.**

In addition to the above referred quantitative and qualitative factors, the main risks identified through the Risks Map of the Inditex Group are considered in the process for the assessment of financial information risks.

Potential risks identified through the ICFR Scoping Matrix are taken into account upon preparing the Risks Map of the Group, which is updated on an annual basis by the Enterprise Risks Management Department (reporting to the Financial Department) with the assistance of all areas of the Organization involved in the process. The Group may thus consider the impact that the remaining risks classified in the following groups: financial, geopolitical, technological, environmental, social and governance risks, may have on financial statements.

- **The governing body within the company that oversees the process.**

The whole process is overseen and approved on an annual basis by the Audit and Compliance Committee.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorization procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Pursuant to the Board of Directors' Regulations, the Audit and Compliance Committee is responsible, inter alia, for reviewing the annual accounts and the periodic information that the board of directors must submit to the markets and their supervisory bodies, verifying at all times compliance with statutory requirements and the appropriate use of generally accepted accounting principles upon drawing up such information.

Likewise, pursuant to the above referred Regulations the Audit and Compliance Committee shall meet on a quarterly basis to review the periodic financial information to be submitted to the Stock Exchanges authorities and the information that the board of directors must approve and release as its annual public documentation.

Furthermore, the ICFR Area monitors that the ICFR is effective and appraises the Financial Department and, where appropriate, the Audit and Compliance Committee, of the findings of such monitoring.

The Group relies on mechanisms to review financial information. Each organizational structures is responsible for reviewing the financial information reported. Analytical reviews of the financial information reported by such structures are carried out at corporate level. Prior to stating the annual accounts and approving the half-yearly financial statements, the Financial Department and the external auditor meet, for the purposes of reviewing and assessing the financial information.

The Audit and Compliance Committee submits this information to the board of directors which is ultimately responsible for approving it before releasing it to the market.

The Group keeps its main business processes with ICRF scope duly documented. Each process is structured in a number of sub-processes, with their relevant flowcharts, that include the proceedings that play a direct or indirect role on financial reporting.

Such processes describe the controls which allow giving an appropriate response to risks associated with the achievement of the objectives relating to reliability and integrity of the financial information, identifying the risks which may result in accounting fraud, so as to prevent, detect, reduce and correct the risk of any potential error way in advance. Each ICFR process has its scoping matrix of risks and controls associated, and they are separated between processes carried out at local level and at corporate level for the entire Group. Design of flowcharts, description of the different processes and sub-processes and identification of risks and controls is carried out with ARIS.

This software application allows keeping the entire documentation relating to the Group's ICFR processes within a single environment, which results in streamlined processes, as flowcharts, narratives and scoping matrices of risk and control are integrated.

The ICFR system monitoring model is implemented based upon *SAP GRC Process Control* tool, wherein each control activity is assigned to a supervisor, who carries them out with the defined frequency.

Each process is assigned to a process owner, who assesses on a quarterly basis the effectiveness of controls, and defines and keeps updated the ICFR process for which they are responsible.

The ICFR Area monitors on a quarterly basis the assessments made by processes owners about the effectiveness of controls. It also coordinates and encourages the periodic review of processes and controls design.

In addition, the ICFR Area is subject every year to an internal certification process whereby financial heads of the markets within the scope of ICFR monitoring, process owners and corporate directors of areas who take part in the process of preparation and monitoring of financial information certify that they have implemented the controls for which they are responsible.

SAP GRC Process Control is implemented with regard to all the processes within the ICFR scope, including those carried out by areas outside the financial area.

With regard to the consolidation, closing and reporting process, the Financial Department issues the instructions together with the calendar and contents of the financial information to be reported by each of the local financial structures to draw up the consolidated financial statements.

Risks are identified in the ICFR's risk and controls matrix of the closing process which includes controls relating to relevant opinions, estimates, assessments and projections.

F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

The internal control framework of the Group's information systems seeks to set up controls over the main business processes, which are closely related to Information Technologies ("IT").

Based upon the link between business processes and associated systems, basic risks are reviewed which allows the company to prioritize and focus on such IT environments which are deemed to be especially relevant.

A number of general controls on applications (IT General Controls or ITGCs) are identified within the ICFR IT controls framework defined by the Group, including:

- Secure access to both applications and data.
- The application of logic and physical security measures
- Control and monitoring on changes in applications and their data.
- Environment segregation.
- Appropriate operation of applications.
- Availability of data and continuity of applications.

It bears mention that design of such controls is reviewed on an annual basis for the purposes of implementing such changes, if necessary, which ensure that associated risks are appropriately covered.

The implementation of ITGCs on the applications identified within the ICFR scope is monitored on an annual basis. As a general rule, the yardstick to identify applications within the ICFR scope is that they play a significant role in the preparation and monitoring of the financial information.

The findings of such monitoring are reported to the Financial Department through the quarterly reports assessing ICFR controls.

It bears mention that, in the process to design and implement applications and products, the Group has defined a methodological framework with different requirements aimed at ensuring that the solution implemented actually meets both the functions demanded by users and the security standards set out.

Likewise, the Group relies on contingency mechanisms and procedures, both technical and operational, which have been defined to ensure recovery of information systems in case of lack of availability.

In 2021, the Information Security Committee has met on a quarterly basis. Such Committee is charged with ensuring the effective and consistent enforcement of best practices regarding information security management across the organization, reducing risks affecting security to the minimum, taking into account the company's business.

The Information Security Committee is composed of:

- The COO & Head of Digital and Sustainable Transformation
- The General Counsel and Secretary of the Board
- The Chief IT Officer
- The Chief Information Security Officer
- The Chief Financial Officer
- The Chief Audit Officer

The Information Security Policy sets forth the principles and guidelines whereby Inditex will protect its information, pursuant to applicable regulations and its ethical values defined in the Code of Conduct and Responsible Practices as well as the provisions of the Regulations of the Information Security Committee and of any other applicable internal regulations.

The overarching principles that inform the Policy are:

- (i) classification of information, in accordance with its value, relevance and criticality for the business;
- (ii) limited use of information systems to lawful and exclusively professional purposes;
- (iii) segregation of duties to avoid risks;
- (iv) setting retention periods by information category, where necessary or convenient;
- (v) setting monitoring procedures to control how information is made available to third parties;
- (vi) security in Information Systems;
- (vii) setting a process for continuity management to ensure recovery of critical Information for the Group in the event of disaster; and
- (viii) alignment of Information Systems and communications of the Group with the requirements of applicable laws and regulations.

The Information Security Department performs its monitoring duties in an independent manner and is responsible for implementing the Policy and monitoring compliance therewith, and with all requirements arising from applicable laws, regulations and best practices in the field of Information Security.

In 2021 as a result of the global pandemic caused by COVID-19, special attention has been given to the remote work plans and the management of risks associated thereto, further providing appropriate tools and mechanisms to ensure employees' operations and the continuity of critical processes. In particular, the existing capacity of remote access channels and systems has been adapted, monitoring, protection and control measures regarding such remote connections have been reinforced, and specific awareness-raising actions have been addressed to our employees and collaborators.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

In 2021, certain activities, mainly actuarial calculations, human resources-related services, calculation of discount rates and certain processes of the Systems and Administration areas, were outsourced to third parties. Included in the ICFR processes are controls on such calculations made by third parties, for the purposes of mitigating risks which may have an impact on financial information.

Outsourced services are commissioned by the supervisors of the relevant areas, ensuring the technical and legal qualifications, capacity and independence of the experts hired.

F.4. Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1.. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organization, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

Within the Planning and Management Control Department, the External Reporting area is responsible for drawing up, disclosing, implementing and updating the Group's Manual on Accounting Policies. With regard to the Group's accounting policies, such area is responsible for, inter alia:

- Defining the accounting treatment of the transactions which make up the business of the Group.
- Defining and updating the accounting practices of the Group.
- Addressing doubts and queries arising from the construction of accounting standards.
- Standardizing the accounting practices of the Group.

The Manual covers the different transactions inherent in the Groups' business and their accounting treatment in accordance with the benchmark accounting framework of the Inditex Group.

The Manual is regularly updated. As part of such updating procedure, the External Reporting area includes all accounting changes identified which were advanced to those in charge of drawing up the financial statements.

The Manual is available on the Company's INET.

F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

The process for consolidation and preparation of consolidated financial statements is centralized, being incumbent on the External Reporting area which reports to the Planning and Management Control Department.

Drawing up the consolidated financial information begins with the addition of individual financial statements of each company included in the consolidation perimeter, to be subsequently consolidated based upon the accounting regulations of the Group. The entire addition and consolidation process is supported by SAP BPC tool.

Financial information reported to CNMV is prepared based upon consolidated financial statements gathered through the above referred tool, and upon certain supplementary information reported by the markets, required to prepare the annual/half-yearly report. The entire process is supported by SAP Disclosure Management tool. Contemporaneously, certain specific controls are exerted to confirm integrity of such information.

The board of directors approved on 14 December 2020 the Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information that seeks to establish a framework for action and define the overarching principles that will govern the disclosure by the Company of Economic-Financial, Non-Financial and Corporate Information via Regulated and non-Regulated Channels.

Under such Policy, the board of directors, being the highest supervisory body responsible for overseeing economic-financial, non-financial and corporate information, shall ensure the largest circulation and the highest quality of the information provided to the stakeholders in accordance with a set of principles, including: transparency, objectivity, accuracy, immediacy and symmetry in disclosure of information.

F.5. Supervision of the system's operation

Give information on the key features of at least:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

With regard to the evaluation of ICFR and the procedure set to disclose its results, the ICFR area has monitored on a quarterly basis, via the owners of processes with an impact on the financial information, the implementation of controls, requesting and reviewing a sample of evidence from the supervisors of each control.

As a result of such monitoring, improvement areas of each control have been identified and they have been assigned an action plan to remedy them. Follow up has ensued, to ensure they have been complied with.

Likewise, the ICFR area has issued on a quarterly basis a report with the findings of each control, the main action lines followed in the quarter and the incidences identified. Such reports have been submitted to the Financial Department, the heads of financial departments and the Internal Audit Department. The ICFR area has reported to the Audit and Compliance Committee on the evaluation of ICFR effectiveness in 2020 and the planned scope for 2021.

In 2021 and specifically regarding ICFR oversight activities, the Audit and Compliance Committee has carried out the following proceedings, without limitation:

- It has reviewed the consolidated annual accounts of the Group and the periodic quarterly and half-yearly financial information that the Board of Directors has to provide to the markets and its supervisory bodies, overseeing compliance with statutory requirements and the appropriate application of the generally accepted accounting principles upon drafting such information.
- As part of its supervision duties regarding the Internal Audit function, it has approved its annual activities report, as well as its budget and the annual internal audit plan which includes specific audits on ICFR processes, pursuant to a pluri-annual plan set.
- It has reviewed the annual audit plan of external auditors that includes the audit objectives based upon the evaluation of risks of financial information and the main areas of interest or significant transactions subject to review in the year.

- It has reviewed with the external auditor and with Internal Audit the internal control weaknesses revealed, where appropriate, in the course of the different audit and review assignments. Meanwhile, both external auditors and Internal Audit have regularly advised the Audit and Compliance Committee on the degree of enforcement of recommendations resulting from such assignments.
- It has regularly met with other corporate departments of the Inditex Group for the purposes of overseeing the effectiveness of internal control systems of the Group, including ICFR, verifying their suitability and integrity and the degree of implementation of action plans to meet audit recommendations.

Internal Audit is a corporate function directly linked to the board of directors, which ensures full independence in the performance of its activities. Internal Audit functionally reports to the Audit and Compliance Committee.

The area is centrally managed from headquarters and has representatives at such geographic areas where the presence of the Inditex Group so requires. Additionally, it is divided into specialized areas, which allows gathering deep understanding on risks and processes.

Internal Audit's budget is approved on an annual basis by the Audit and Compliance Committee which provides for the human and material assets, both internal and external of the Internal Audit Department.

The mission of the Internal Audit function consists, inter alia, of assessing risk exposure and the suitability and effectiveness of controls in respect of risks identified and namely, those related to reliability and integrity of financial and operational information.

Based upon the ICFR Scoping Matrix, Internal Audit drafts a pluri-annual plan for the regular review of ICFR of the Group which is submitted to the Audit and Compliance Committee for approval every year.

This pluri-annual plan entails conducting ICFR reviews of the significant processes and elements of the Group's financial statements. Review priorities are set based upon the risks identified. Such plan is implemented through annual planning which determines the scope of the annual ICFR reviews. The suitability of such plan is reviewed every year, further to the update of the process to identify and assess financial information risks. Additionally, annual planning include compliance with the provisions of current internal corporate policies, including the ICFR Policy.

Namely, the following issues are subject to review: the design and effective operation of key transactional controls and general controls on the main software tools involved in financial reporting, as well as the review of the general control environment.

To carry out its activities, Internal Audit uses different audit techniques, mainly interviews, analytical reviews, specific control tests, reviewing both the appropriateness of design and the effective operation thereof, review of the effectiveness of software tools and material tests.

Results of the assignments, together with the corrective measures recommended, where appropriate, are reported to the Financial Department and the Audit and Compliance Committee. Internal Audit follows up on the implementation of such measures which is reported to the Audit and Compliance Committee.

F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

Internal Audit regularly discloses to the Financial Department and the Audit and Compliance Committee the internal control weaknesses identified in the reviews carried out, as well as the follow-up on the action plans set out to settle or reduce them.

In turn, external auditors regularly meet with the Financial Department and Internal Audit, both to gather information and to disclose any potential control weaknesses which may have been revealed, where appropriate, in the course of their work.

In its meetings, the Audit and Compliance Committee considers the potential weaknesses in control which might have an impact on financial statements, requesting, where appropriate, from the affected areas, the necessary information to assess any effects on the financial statements.

Section 45.5 of the Board of Directors' Regulations provides that: *"The Board of Directors shall ensure that the annual accounts are drawn up in accordance with accounting standards, endeavouring for them to be drafted in such a manner that they do not give rise to qualifications on the part of the auditor. However, in the exceptional circumstances where the auditor expresses a qualified opinion and the Board of Directors considers that it must stick to its position, it shall publicly explain the contents and scope of the discrepancy. The foregoing without prejudice to the information that the Chair of the Audit and Compliance Committee would make available to the shareholders at the General Meeting of Shareholder"*

To meet the provisions of section 45.5 above referred, any discussions or different views existing are advanced in the meetings of the Audit and Compliance Committee with external auditors. In turn, external auditors report, where appropriate, on the main internal control issues that need to be improved which have been identified as a result of their work. Additionally, Management reports on the degree of implementation of the relevant action plans set in train to correct or reduce the issues identified.

Meanwhile, the Audit and Compliance Committee meets with the statutory auditors of the individual and consolidated annual accounts for the purposes of reviewing on the one hand the Group's annual account, and on the other, certain half-yearly periodic financial information that the board of directors must provide to the market and its supervisory bodies, overseeing compliance with statutory requirements and the appropriate enforcement of generally accepted accounting principles upon preparing such information.

Moreover, the Committee shall regularly receive from the statutory auditor information regarding the audit plan and the results of its implementation, follow up on the recommendations proposed by the statutory auditor and may request its collaboration whenever this is deemed necessary.

In 2021 members of the Internal Audit function and external auditors were in attendance in all 5 meetings held by the Audit and Compliance Committee, an external auditors were in attendance in 4 of them.

F.6. Other relevant information

F.7 External auditor's report

Report:

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The information on ICFR included in this section F of the Annual Corporate Governance Report for 2021 and prepared by the Group's Management is reviewed by the external auditors.

G. Degree of compliance with corporate governance recommendations

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. That the articles of association of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies **X** Explain

2. That when the listed company is controlled by another entity within the meaning of section 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- The mechanisms in place to resolve any conflicts of interest that may arise.

Complies **X** Complies partially Explain

3. That, during the Annual General Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- Changes that have occurred since the last Annual General Meeting.
- Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies **X** Complies partially Explain

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to shareholders who are in the same position. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (media, social media or other channels) that helps maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies **X** Complies partially Explain

5. That the Board of Directors should not submit to the General Meeting of Shareholders any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies **x** Complies partially Explain

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website well in advance of the Annual General Meeting, even if their publication is not mandatory:

- Report on auditor independence.
- Reports on the proceedings of the audit and nomination and remuneration committees.
- Report by the audit committee on related party transactions.

Complies **X** Complies partially Explain

7. That the company should broadcast its Annual General Meeting live on its website.

And that the company should have mechanisms in place allowing to grant proxy and to cast votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies **x** Explain

8. That the audit committee should ensure that the financial statements submitted to the General Meeting of Shareholders are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies **X** Complies partially Explain

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Meeting of Shareholders, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory manner.

Complies **X** Complies partially Explain

10. That when a duly authenticated shareholder has exercised his or her right to supplement the agenda or submit new proposals for resolutions in advance of the General Meeting of Shareholders, the company should:

- immediately distribute the supplementary items and new proposals for resolutions.
- publish the standard form of attendance card or the form to vote by proxy or cast absentee voting with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
- put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
- after the General Meeting of Shareholders, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies **X** Complies partially Explain Not applicable

11. That if the company intends to pay premiums for attending the General Meeting of Shareholders, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies Complies partially Explain Not applicable **X**

12. That the board of directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, customers and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies **X** Complies partially Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies **X** Explain

14. That the Board of Directors should approve a policy aimed at encouraging an appropriate composition of the Board and that:

- Is specific and ascertainable;
- Ensures that motions for appointment or re-election are based upon a prior analysis of the needs of the board of directors; and
- Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the competences required by the board of directors are written up in the explanatory report from the nomination committee published upon calling the Annual General Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies **X** Complies partially Explain

15. That proprietary and independent directors should constitute a substantial majority of the board of directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the ownership interest of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and not less than 30% prior to that date.

Complies **X** Complies partially Explain

16. That the number of proprietary directors out of all non-executive directors should not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This yardstick may be relaxed:

- In large-cap companies where very few shareholdings are legally considered significant.
- In the case of companies where a plurality of shareholders is represented on the board of directors without ties among them.

Complies **X** Explain

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalization or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies X Explain

18. That companies should publish the following information on its directors on their website, and keep it regularly updated:

- Professional experience and biography.
- Any other boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- Directorship type, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- Date of their first appointment as a director of the company's board of directors, and any subsequent re-elections.
- Company shares and share options that they own.

Complies X Complies partially Explain

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors on the proposal of shareholders whose holding is less than 3%. It should also explain, where applicable, any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies Complies partially Explain Not applicable X

20. That proprietary directors representing significant shareholders should resign from the board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its stake to a level that requires a decrease in the number of proprietary directors.

Complies X Complies partially Explain Not applicable

21. That the board of directors should not propose the removal of any independent director before the completion of the director's term provided for in the articles of association unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, are in breach of their fiduciary duty, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The removal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies X Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the board of any criminal charges brought against them as well as of how the legal proceedings subsequently unfold.

And that, if the board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must examine the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disclose, if appropriate, at the time when the corresponding measures are implemented.

Complies X Complies partially Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the board of directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the board of directors.

Furthermore, when the board of directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies X Complies partially Explain

24. That whenever, due to resignation or resolution of the General Meeting of Shareholders, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter addressed to all members of the board of directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the direct.

Complies X Complies partially Explain

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company boards on which directors may sit.

Complies **x** Complies partially Explain

26. That the board of directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies Complies partially **x** Explain

The Board of Directors meets according to the schedule of dates and agendas previously approved at the start of each year. Such schedule covers the most relevant issues that the board of directors must address.

The board of directors met 7 times in 2021.

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies **x** Complies partially Explain

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the board of directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies **x** Complies partially Explain Not applicable

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies **x** Complies partially Explain

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies **x** Complies partially Explain

31. That the agenda for meetings should clearly indicate those matters on which the board of directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the board of directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies **x** Complies partially Explain

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies x Complies partially Explain

33. That the chairman, as the person responsible for the efficient workings of the board of directors, in addition to carrying out the duties assigned by law and the articles of association, should prepare and submit to the board of directors a schedule of dates and matters to be considered; organize and coordinate the periodic evaluation of the board as well as, where applicable, the chief executive of the company, should be responsible for leading the board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies x Complies partially Explain

34. That when there is a lead independent director, the articles of association or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the board of directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies x Complies partially Explain Not applicable

35. That the secretary of the board of directors should pay special attention to ensure that the activities and decisions of the board of directors take into account such recommendations regarding good governance contained in the Good Governance Code as may be applicable to the company.

Complies x Explain

36. That the board of directors meets in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- Quality and efficiency of the proceedings of the board.
- Proceedings and composition of its committees.
- Diversity of board membership and competences.
- Performance of the chairman of the board of directors and of the chief executive officer of the company.
- Performance and input of each director, paying special attention to those in charge of the various board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies x Complies partially Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies x Complies partially Explain Not applicable

38. That the board of directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the board of directors receive a copy of the minutes of meetings of the executive committee.

Complies x Complies partially Explain Not applicable

39. That all members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies x Complies partially Explain Not applicable

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the board or of the audit committee.

Complies x Complies partially Explain Not applicable

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies x Complies partially Explain Not applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Overseeing and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, where applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

- b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
- c) Establishing and overseeing a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, where applicable, the contents thereof.
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies **x**

Complies partially

Explain

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies **x** Complies partially Explain

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies **x** Complies partially Explain Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b) An enterprise risk management model based on different levels, which will include a specialized risk committee when sector regulations so require or the company considers it to be appropriate.
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialized.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies **x** Complies partially Explain

46. That under the direct supervision of the audit committee or, where applicable, of a specialized committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of the enterprise risk management systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) Ensuring that the enterprise risk management systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies **x** Complies partially Explain

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – efforts are made to ensure that they have the knowledge, skills and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies **x** Complies partially Explain

48. That large-cap companies have separate nomination and remuneration committees.

Complies **X** Complies partially Explain

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the board of directors.

Complies **X** Complies partially Explain

50. That the remuneration committee operates independently and that, in addition to the functions it has been assigned by statute, it should be responsible for the following:

- a) Proposing to the board of directors the basic terms and conditions of employment for senior management.
- b) Verifying compliance with the company's remuneration policy.
- c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
- d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
- e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies **X** Complies partially Explain

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies **X** Complies partially Explain

52. That the rules on membership and proceedings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b) That their chairpersons be independent directors.
- c) That the board of directors appoints members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and their minutes be made available to all directors.

Complies **x** Complies partially Explain Not applicable

53 That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialized committee on sustainability or corporate social responsibility or such other specialized committee as the Board of Directors, in the exercise of its powers of self-organization, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies **x** Complies partially Explain

54. The minimum functions referred to in the foregoing recommendation are the following:

- a) Monitoring compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Monitoring the application of the general policy on disclosure of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
- d) Oversee the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.
- e) Oversee and evaluate the company's interaction with its different stakeholders.

Complies **x** Complies partially Explain

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, customers, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d) Channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies **x** Complies partially Explain

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies **X** Explain

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies **X** Complies partially Explain

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies **X** Complies partially Explain Not applicable

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies **X** Complies partially Explain Not applicable

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies **x** Complies partially Explain Not applicable

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies **x** Complies partially Explain Not applicable

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies **x** Complies partially Explain Not applicable

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies **x** Complies partially Explain Not applicable

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies **x** Complies partially Explain Not applicable

Further information of interest

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

Codes and global commitments willingly undertaken by INDITEX are:

- *UNI GLOBAL UNION* (www.uniglobalunion.org). It encourages respect and promotion of fundamental rights and decent work within the retail and distribution network. Date of endorsement: 2 October 2009.
- *The United Nations Global Compact* (www.globalcompact.org). A United Nations initiative that encourages social dialogue between companies and the civil society. Date of endorsement: 31 October 2001.
- *Ethical Trading Initiative* (ETI) (www.ethicaltrade.org). A dialogue platform to improve working conditions of workers of the distribution sector in developing countries. It is an alliance of companies, international trade unions, and non-governmental organizations. Date of endorsement: 17 October 2005.
- Global Framework Agreement with IndustriALL Global Union (formerly, ITGLWF) (www.industriall-union.org). To promote fundamental human and social rights within Inditex's supply chain, including the definition of mechanisms of joint action within the supply chain to implement the Code of Conduct for Manufacturers and Suppliers. Date of endorsement: 4 October 2007. Inditex and IndustriALL executed on 4 May 2012 the "Protocol to define the involvement of trade unions in the reinforcement of the International Framework Agreement within Inditex's supply chain." On 8 July 2014, the Framework Agreement was renewed by both parties at ILO headquarters in Geneva (Switzerland). A new Agreement was executed on 25 April 2016 between Inditex and IndustriALL, that introduces the concept of "union experts" to enforce the Global Framework Agreement. On 13 November 2019 the Global Framework Agreement was renewed, with both parties agreeing to set up a Global Union Committee on which worker representatives from each of the Inditex Group's key areas of production will sit.

- *Zero Discharge of Hazardous Chemicals in 2020*. Multi-stakeholder organization comprising brands and representatives of the supply chains of the textile and footwear industry committed to the elimination of certain chemicals in the textile and footwear product manufacturing process. Date of execution: 27 November 2012.
- *ILO's Better Work Programme* (www.betterwork.org). Platform to improve compliance with labour regulations and competitiveness of global supply chains Date of endorsement: October 2007. In the course of this partnership, Inditex and Better Work executed on 9 October 2013 a specific partnership agreement whereby Inditex became a direct buyer partner of the Better Work programme.
- *The CEO Water Mandate* (www.ceowatermandate.org). A United Nations initiative to support companies in the development, implementation and disclosure of their water-related strategies and policies. Date of endorsement: 30 June 2011.
- *Sustainable Apparel Coalition* (www.apparelcoalition.org). An initiative of the textile sector to set in train a joint sustainable index to assess the environmental performance of their suppliers during the production process. Date of endorsement: 20 October 2011.
- *Textile Exchange* (www.textileexchange.org). A Platform to promote the growing of organic cotton, and global sustainability within the textile sector. Date of endorsement: 8 September 2010.
- *Better Cotton Initiative* (www.bettercotton.org). An initiative that develops and promotes best practices in the traditional growing of cotton to benefit the farmers and the environment, and to ensure the future of the sector. Date of endorsement: 1 July 2011.
- Code of Good Tax Practices. It encourages a mutually cooperative relationship between the Tax Administration Authority of Spain and the companies. Sign up date: 21 September 2010.
- Cooperation Agreement between the Ministry of Health and Consumption and the fashion sector in Spain. Date: 23 January 2007. It promotes the defense and encouragement of the rights of Spanish customers in the world of fashion, namely as regards creating and encouraging a healthy-looking appearance.
- *Cotton Campaign*: this is an initiative led by companies and organizations of the third sector to improve working conditions and defend Human Rights in the production and supply of cotton. Date of endorsement: 25 October 2012.
- International Accord (<https://internationalaccord.org/>). Agreement signed in 2021 by brands and international trade unions, witnessed by non-governmental organizations to honor the commitment to continue and expand the efforts towards a safe and healthy textile industry, based on the principles first upheld in Bangladesh in 2013. Inditex is a founding member of its Steering Committee. The International Accord recognizes the RMG Sustainability Council (RSC) as an independent organization that continued the efforts in Bangladesh. Date of execution: 1 September 2021

- *Fur Free Alliance* (www.infurinformation.com). Inditex is a member of the Fur Free Retailer Program of the Fur Free Alliance. The Fur Free Alliance is an international coalition of animal protection organizations working to bring an end to the exploitation and killing of animals for their fur. Date of endorsement: 1 January 2014.
- *ACT (Action Collaboration Transformation)*: an initiative of international brands & retailers, manufacturers, and trade unions to address the issue of living wages in the textile and garment supply chain. In development thereof, a Memorandum of Understanding was subscribed by ACT's brands and IndustriALL Global Union to establish within the supply chains the principles of freedom of association, collective bargaining and living wages. Date of execution: 13 March 2015.
- *CanopyStyle Initiative*. Date of endorsement: 2014. Committed to protecting HCV primary forests, and namely, to ensuring that from 2017 on, no cellulose originating in this type of forests will be used in man-made fibers (viscose, modal, Lyocell).
- Organic Cotton Accelerator (OCA Foundation). One of the founding partners of OCA Foundation in 2016 and member of the Investment Committee, being actively committed to contributing to develop a responsible and healthy market of organic cotton for all parties involved.
- International Labour Organization (ILO). Execution of a global Public-Private Partnership aimed at promoting respect for the fundamental principles and rights at work in the cotton sector. Date of execution: 11 May 2017.
- *Fashion Industry Charter for Climate Change*. The Fashion Industry Charter was subscribed with the UN Climate Change Office. Aligned with the goals of the Paris Agreement, the Charter has set an initial target of 30% GHG emission reduction by 2030. Date of execution: 28 November 2018.
- *New Plastics Economy Global Commitment*. Undertaken with the Ellen MacArthur Foundation to establish a circular economy for plastic and prevent that it becomes waste, on account of not being reused or recycled. Date of execution: 18 October 2018.
- *Better Than Cash Alliance*. Based in the UN, this is an alliance of governments, companies and large international organizations that seek to globally promote the transition from cash to digital payments. Inditex is focused on achieving digitalization and financial education across its supply chain. Inditex became a member in November 2018.
- *Sustainable Fibre Alliance (SFA)*. Non-profit international organization that works with the extended cashmere supply chain, from herders to retailers. Its goal is to promote a global sustainability standard for cashmere production in order to preserve and restore grasslands, ensure animal welfare and secure livelihoods. Year of membership: 2019.

- *Fashion Pact* (<https://thefashionpact.org>), Global coalition of companies in the fashion industry committed to key specific common goals to meet the challenges that the industry faces to stop climate change, preserve the oceans and restore biodiversity. The Pact was signed on 23 August 2019.
- *Global Fashion Agenda* (<https://globalfashionagenda.com>). It encourages a number of commitments towards circular economy in 2020 known as GFA 2020 Commitment. Inditex has been a signatory since 11 May 2017.
- AFIRM GROUP: working forum of leading brands in the apparel, footwear and sporting goods industries who share the goal of reducing the use and impact of harmful substances across the textile and leather supply chain.
- Partnership for a sustainable recovery plan for the Spanish economy: initiative promoted in 2020 by Ecodes and the Spanish Green Growth Group, to support and implement a sustainable stimulus package, effective from both an economic and social perspective and aligned with sustainability and biodiversity policies.
- BSR: Global non-profit organization that works with a network of more than 200 members to build a fair and sustainable world. Inditex has been a member of BSR since 2019 and takes part in several of BSR's initiatives, such as the HER Project to promote women's empowerment.
- *UN Business Ambition for 1.5°C*: Inditex joined in 2020 this urgent call for action from UN Global Compact, for a global coalition of business and industry leaders to commit their companies to set science-based targets aligned with emission reduction.
- The Fashion Industry Charter for Climate Action (UNFCCC): Inditex is a signatory of the Charter with the UN Climate Change Office, aligned with the goals set in the Paris Agreement, to be climate-neutral by 2050 (net-zero GHG emissions). The Agreement has set an initial target of -30% by 2030. The Fashion Industry Charter was launched in December 2018 at the COP24 summit in Katowice, Poland.
- *Clean Cargo Working Group*: Inditex joined in 2020 this initiative that seeks to reduce the environmental impacts of global freight transport and promoting responsible shipping. Within the Clean Cargo Working Group, companies work together to integrate environmentally and socially responsible business principles into freight management.

- *Covid-19: Action in the global garment industry*: this initiative aims to catalyze action from across the global garment industry to support manufacturers to survive the economic disruption caused by the COVID-19 pandemic and to protect garment workers' income, health and employment. This call to action has been coordinated in 2020 by the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC) and IndustriALL Global Union together with international brands, with the technical support of the International Labour Organization (ILO). Inditex is a member of the international working group convened by ILO to implement it.
- *Foro Social de la Moda [Fashion Industry Social Forum]*: This forum was founded in 2018 as a joint initiative involving organisations in the third sector, local unions affiliated with IndustriALL Global Union (CCOO and UGT) and various Spanish textile brands including Inditex. It provides a forum for dialogue on global supply chains between various stakeholders.
- *Massachusetts Institute of Technology (MIT)*: Inditex has partnered with the Massachusetts Institute of Technology (MIT) in the MIT-MISTI (International Science and Technology Initiatives) to finance research to develop recycling processes from used garments. In addition, Inditex is part of the group of founding companies of the *MIT Climate and Sustainability Consortium (MCS)*, created with the aim of accelerating the development of large-scale solutions to combat climate change. The initiative brings together leading multinationals from different industries to work with the Massachusetts Institute of Technology (MIT) to share processes and strategies for environmental innovation.
- *Shift*: non-profit organisation specializing in Human Rights led by Professor John Ruggie, the author of the UN Guiding Principles on Business and Human Rights. Inditex has been a participant of Shift's Business Learning Program since 2018. This leading program in Human Rights involves companies of all sectors willing to work towards implementing the Guiding Principles.
- *Smart Freight Centre (SFC)*: Inditex has joined in 2020 this global non-profit organization dedicated to sustainable freight. Its vision is achieving an efficient and zero-emissions global logistics sector, contributing to the Paris Agreement targets and the Sustainable Development Goals. To achieve this, it brings together the global logistics community through its Global Logistics Emissions Council (GLEC).
- *The Policy Hub*: Inditex actively collaborates with The Policy Hub, an organization that brings the textile industry and its stakeholders together to speed up the sector's transformation to a circular model.
- *Uniting Business and Governments to Recover Better* Statement, backed by UN: Inditex has signed in 2020 together with some other 150 companies in the Science Based Targets initiative, this joint statement urging governments across the world to align their COVID-19 economic aid and recovery efforts with the latest climate science.

- *Alianza país por la pobreza infantil cero* [Country Alliance for Zero Child Poverty]. This initiative was launched by the High Commissioner against Child Poverty of the Government of Spain. It seeks to encourage participation and joint alliances from social players to work together towards a common goal: a country where all kids and teens have the same opportunities irrespective of their birth conditions. Inditex has been a member of the Alliance since January 2021.
- *Clean Cargo Owners for Zero Emissions Vessels* (<https://www.cozev.org/>). This initiative is led by Aspen Institute as part of its Shipping Decarbonization Initiative (SDI) programme to accelerate the transition towards zero emissions vessels and to set a commitment to use only zero-carbon ocean shipping by 2040.
- *The Leaf Coalition* (<https://leafcoalition.org/>). Voluntary global coalition that brings together the private sector and governments to focus on the protection of tropical forests to halt deforestation and support sustainable development in the countries where they are found. Inditex became a participant in November 2021.
- *The Business call for a UN treaty on plastic pollution*. Call aimed at the 5th Session of the UN Environmental Assembly (UNEA5) that seeks to encourage negotiations among UN member states towards an international treaty on plastic pollution to help drive the transition to a circular economy.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in the meeting held on 15 March 2022.

Indicate whether any director voted against or abstained from approving this report.

Yes No

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non attendance))	Explain the reasons