

**DIVERSITY OF BOARD OF DIRECTORS MEMBERSHIP AND
DIRECTOR SELECTION POLICY**

INDUSTRIA DE DISEÑO TEXTIL, S.A.

(INDITEX, S.A.)

**APPROVED BY THE BOARD OF DIRECTORS ON 9 DECEMBER 2015 AND
AMENDED ON 8 JUNE 2021**

DIVERSITY OF BOARD OF DIRECTORS MEMBERSHIP AND DIRECTOR SELECTION POLICY

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1. Purpose

The Director Selection Policy was originally approved by the Board of Directors of Industria de Diseño Textil, S.A. (Inditex, S.A.) (the “**Company**”) in the meeting held on 9 December 2015 following a favourable report of the Nomination Committee, pursuant to Recommendation 14 of the Good Governance Code of Listed Companies, approved by a resolution of the board of the National Securities Market Commission of Spain (“**CNMV**”) on 18 February 2015 (the “**GGC**” or “**Good Governance Code**”)

The board of directors subsequently resolved in the meeting held on 14 December 2020, following a favourable report of the Nomination Committee, the partial amendment to this Policy to align its provisions with the revised Good Governance Code of Listed Companies, approved by CNMV’S board on 25 June 2020, which resulted in the new Diversity of Board of Directors Membership and Director Selection Policy (the “**Policy**”).

The Policy - which implements the provisions of the Articles of Association, the Board of Directors’ Regulations and the Nomination Committee’s Regulations - sets out the company’s high level commitment to diversity and provides guidance on selection of directors for the purposes of guiding the proceedings of the Board of Directors and the Nomination Committee in this area.

In this regard, the Policy:

- a) Is specific and ascertainable;
- b) Ensures 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 of the competencies required by the board of directors;
- c) Favours diversity of knowledge, skills, experiences, geographic origin, age and gender of directors;
- d) Seeks to ensure an appropriate composition of the board and its committees, facilitating the appropriate discharge of the duties they are called upon to perform pursuant to applicable laws, the Articles of Association, the Board of Directors’ Regulations, and the Nomination Committee’s Regulations
- e) seeks to contribute to talent attraction in the Inditex Group, making efforts to ensure that the best professionals serve on its governing bodies; and
- f) is public and available on the corporate website (www.inditex.com).

This Policy respects and adopts the Recommendations of the GGC and the overarching principles and guidelines of CNMV’s Technical Guide 1/2019 on nomination and remuneration committees.

2. Definitions

For the purposes hereof, the terms herein defined shall have the following meaning:

- “**CNMV**”: National Securities Market Commission of Spain.
- “**Good Governance Code**”: Good Governance Code of Listed Companies approved by CNMV’s board on 18 February 2015 and revised further to a resolution passed by CNMV’s board on 25 June 2020.
- “**Inditex Group** (also, the “**Group**”): group of companies in which Inditex holds directly or indirectly at least 50% of the share capital or of the voting rights.

3. Scope of application

This Policy shall apply to the selection of prospective directors of Inditex who are natural persons.

4. Overarching principles

The process to appoint, ratify and re-elect directors shall be guided by the following overarching principles:

- a) favouring diversity and search for excellence within the board of directors;
- b) the selection process for prospective directors shall not be tainted by any kind of discrimination and shall follow the merit-base approach;
- c) fulfilling the corporate interest; and
- d) transparency in the process to select prospective directors of Inditex

5. Prior analysis of competencies required

The selection, appointment, ratification and re-election of directors shall be based upon a prior analysis of the needs of the company and the Inditex Group, and of the competencies 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.

To ensure the appropriate composition of the board of directors at all times, its structure, size and composition shall be regularly reviewed. Such review will also extend to the composition of the different board committees which assist it with the proper performance of its functions.

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.

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

5.1. Commitment to diversity

5.1.1. Within the board of directors

Efforts should be made to ensure a diverse board membership where directors with experience and knowledge of the Group, the retail business and sector in general serve together with others with background, qualifications, knowledge and experience in other fields and industries to achieve an appropriate balance on the board that facilitates its functioning and performance.

Specific diversity criteria will be determined considering the competencies and profiles existing on the board at any given time, and other factors such as business complexity, business

environment, the social and economic environment, the environmental, social and governance strategy of the company, as well as any other factors which may be deemed appropriate.

The Nomination Committee shall establish a representation target for the least represented gender on the board of directors and provide guidance on how to reach such target.

At any rate, for the purposes of ensuring a balanced presence of men and women on the board, the company should strive to guarantee that by the end of 2022 female directors would account for at least 40% of the board seats. Under no circumstances shall such percentage be less than 30% at any given time before the expiry of such deadline.

5.1.2. Within board committees

Pursuant to the provisions of the respective set of rules of each board committee, and irrespective of any other aspect to be considered on account of their nature and mission, the board of directors shall encourage a diverse membership on its committees in with regard to professional experience, competencies, personal skills, sector-specific knowledge and gender, taking into account the restrictions that are a result of their smaller size

5.1.3. In Senior Management

The board of directors and the Nomination Committee shall encourage the adoption of specific targets and measures to ensure that the company has a significant number of female senior managers.

6. Selection of prospective directors

6.1. Search of prospective directors

In the process for the selection of prospective directors, those individuals who meet the requirements laid down in this Policy and who, given their profile and features favor 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 competencies, 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 required duties and skills of candidates who have to fill each vacancy and evaluate the required time and dedication for them to effectively meet their board responsibilities. Efforts shall be made upon selecting directors to ensure that an appropriate balance of profiles on the board is reached so that its decisions are debated in depth and enriched with contrasting opinions. Any director may suggest to the Nomination Committee any prospective director, provided that the provisions of the Policy are observed

Likewise, the Company may rely on external advisors to carry out the prior analysis of the needs of the company, and to assess the competencies 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.

6.2. Requirements that prospective directors must meet

Directors and prospective directors of the company shall meet at all times the following requirements:

- a) Be honest, respectable persons of well-known ability, competence, professional background and experience and merits;
- b) Be law-abiding and respectful of good marketing practices both in their lives and professional careers and observe the provisions of applicable regulations.
- c) 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.
- d) Be committed to their duties as directors and available to dedicate sufficient time and efforts to meet their board responsibilities.

6.3. Non eligibility to be a director

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, the Board of Directors shall not 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 all necessary measures and make appropriate enquiries to ensure that the prospective directors are not involved in any of the scenarios described in the foregoing paragraphs.

7. Appointment, ratification or re-election of directors

Pursuant to the provisions of the Articles of Association, the Board of Directors' Regulations and the Nomination Committee's Regulations, directors shall be appointed by the General Meeting of Shareholders or by the Board of Directors, pursuant to statute and the corporate governance rules of the Company.

The motions regarding the appointment, ratification or re-election of directors that the Board of Directors submits to the General Meeting of Shareholders for consideration, and the election decisions made by the Board of Directors, by virtue of the powers to co-opt legally attributed to it, must be preceded by (i) the relevant motion from the Nomination Committee as regards independent directors, or (ii) the relevant report submitted by said Committee, as regards the remaining classes of directors. Such motions and reports shall be prepared by the Nomination Committee and the classification of the relevant directors shall be included therein.

The motion on the appointment of a director that the Board would submit to the General Meeting of Shareholders, shall be accompanied at any rate by an explanatory report issued by the board assessing the competencies, experience and merits of the proposed candidate. Such report shall be attached to the minutes of the General Meeting of Shareholders or of the meeting of the Board itself. Likewise, in case of ratification or re-election of directors, the report in support of the motion shall assess the quality of work and the dedication to office by the proposed directors during his/her mandate, in addition to compliance with the Company's corporate governance rules.

Where the Board of Directors departs from the motions and reports of the Nomination Committee, it must provide the rationale behind such proceedings and place it on record.

The Board of Directors shall explain to the General Meeting of Shareholders in charge of appointing or ratifying the appointment of directors the class thereof. Such class shall be confirmed or, where appropriate, reviewed in the Annual Corporate Governance Report, after verification by the Nomination Committee.

8. Annual enforcement verification

The Nomination Committee shall verify the enforcement of this Policy on an annual basis and advise the board of directors on such matter. In turn, the board of directors will report it in the Annual Corporate Governance Report.

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