

MOTION REGARDING THE APPOINTMENT OF MS PILAR LÓPEZ ÁLVAREZ TO THE BOARD OF DIRECTORS AS NON-EXECUTIVE INDEPENDENT DIRECTOR THAT THE NOMINATION COMMITTEE OF INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.) SUBMITS TO THE BOARD OF DIRECTORS TO BE TABLED TO THE ANNUAL GENERAL MEETING

I. FOREWORD

This motion is issued pursuant to section 529 *decies* paragraph 4) of the Spanish Companies Act (hereinafter, the “**Companies Act**”), article 29.3(c) of the Articles of Association, sections 16.2(e) and 21.2 of the Revised text of the Board of Directors’ Regulations (hereinafter, the “**Board of Directors’ Regulations**”), as well as section 5(d) of the Nomination Committee’s Regulations of Inditex (hereinafter, “**Inditex**” or the “**Company**”). It covers the motion to appoint Ms Pilar López Álvarez to the Board of Directors as non-executive independent director that the Nomination Committee submits to the Board of Directors, to be tabled to the Annual General Meeting

II. PURPOSE

Upon preparing the motion to appoint the above mentioned director, the Nomination Committee has taken into account the needs of the Board of Directors for the purposes of re-electing or appointing directors, addressed in the relevant explanatory report approved by the Nomination Committee on 11 June 2018, pursuant to recommendation 14 of the Good Governance Code of Listed Companies, approved by CNMV in February 2015 (hereinafter, “**CBG**” [*Spanish acronym*]). Additionally, the fact that the professional profile of Ms López is suitable for the Company’s description, its business and its international presence, has also been considered.

Namely, the Nomination Committee has also taken into account that in order for the Board of Directors to duly perform its duties, its members shall, as a whole, have recognized skills, expertise and merits regarding: (i) the Company, the Group and the retail sector; (ii) economy, finances, accounting, audit and risk management matters; (iii) regulatory compliance and corporate governance matters; (iv) the digital and IT sector, aimed at achieving one of the strategic goals marked as a priority by the Company, that is to become a digital business, (v) different geographical markets; and (vi) management, leadership and business strategy, as well as being available for the necessary dedication to the position.

Pursuant to the above referred regulations, this report consider the skills, experience and merits of the candidate proposed to be appointed to the Board of Directors.

III. PROFESSIONAL PROFILE AND SKILLS

Ms Pilar López Álvarez has been the Chair of Microsoft Spain since July 2015. She has a Bachelor of Science in Business Administration and a Major in Finance from ICADE University in Madrid (Spain). She has spent most of her career in Telefónica, S.A. which she

joined in 1999. Prior to this, she worked in a variety of roles at J.P. Morgan in Madrid, London and New York.

While in Telefónica, Ms López worked in a number of finance and strategy positions across the European and Latin America businesses, including Financial Controller in Telefónica Móviles, Strategy Director in Telefónica de España, Chief Financial Officer of O2 Plc. based in London and Chief Financial Officer for Telefónica Europe based in Madrid.

She is a non-executive director of Ferguson Plc, the world's largest supplier of building materials. While in Telefónica, she served as Supervisory Board member of Telefónica Czech Republic AS and Vice Chairman of the Supervisory Board of Telefónica Deutschland Holding AG. She was also member of the Board of Tuenti Technologies.

In line with the criterion of having trustworthy independent professionals of reputation sitting on the Board of Directors, and in light of the experience and career of Ms López, the motion to appoint her contributes to reinforce (i) the presence of non-executive independent directors on the supreme governing body of the Company and its committees; (ii) the diversity of skills, experience, merits and expertise; (iii) the knowledge of the Board of Directors in the technology and digital sector, at a time when the Company's digitalisation process is increasing; and (iv) the experience in management and strategy of companies of different industries and geographical markets, thus improving the management of the Group and of risks arising from its international dimension.

With the appointment of this new female director the average seniority of independent directors is reduced from 4.25 to 3.5 years, and the target of having 30% female directors sitting on the Board of Directors, provided in recommendation 14 of CBG, is reached before the scheduled date (2020).

IV. INELIGIBILITY

The Committee has established that the proposed candidate meets the requirements to qualify as independent director, pursuant to section 529 *duodecies* of the Companies Act.

The Committee has established that none of the causes of ineligibility to be a company director provided in section 213 of the Companies Act and in section 22 of the Board of Directors' Regulations apply to Ms López.

V. CONTRIBUTION TO THE BALANCED MEMBERSHIP OF THE BOARD

Likewise, it is noted that with the appointment of Ms López to the Board of Directors as non-executive independent director, the provisions of section 7.2 of the Board of Directors' Regulations regarding the ratio of independent directors within the Board of Directors which should be at least equal to the ratio of floating capital of the Company, and of recommendation 17 CBG, are met. In this regard, should the proposed appointment of Ms Pilar López Álvarez be approved by the Annual General Meeting, a large majority of non-

executive directors, more than half of them independent, will continue sitting on the Board of Directors.

Considering the foregoing, pursuant to the provisions of section 529 *decies* paragraph 4) of the Companies Act; article 29.3(c) of the Articles of Association and sections 16.2 and 21.2 of the Board of Directors' Regulations, as well as section 5(d) of the Nomination Committee's Regulations, the Committee has resolved to propose to the Board of Directors, to be subsequently tabled to the Annual General Meeting of Shareholders, the appointment of Ms Pilar Lopez Álvarez to the Board of Directors as non-executive independent director.

Done in Arteixo (A Coruña), on 11 June 2018