

ANNUAL REPORT OF THE AUDIT AND CONTROL COMMITTEE ON THE INDEPENDENCE OF EXTERNAL AUDITORS OF THE COMPANY AND THE RENDERING OF NON-AUDIT SERVICES

This report on the independence of auditors of Industria de Diseño Textil, S.A. (hereinafter, “**Inditex**” or the “**Company**”) is drafted prior to the issue of the auditor’s report, pursuant to the provisions of section 529 *quaterdecies* of the Spanish Companies Act, section 15.2.f) of the Board of Directors’ Regulations and section 7 (b) (vi) of the Audit and Control Committee’s Regulations. This report also addresses the rendering by the auditor of additional services other than audit of accounts, considered both individually and as a whole, and regarding the independence system or the regulations on auditing.

Prior to issuing this report, the Audit and Control Committee has received from Deloitte, S.L. (hereinafter, “**Deloitte**”) a written confirmation of its independence vis-à-vis Inditex and any parties related to Inditex, either directly or indirectly, as well as a breakdown of the additional non-audit services of any kind rendered to the Inditex Group by Deloitte or by any person, either natural or legal, related to the audit firm, pursuant to the provisions of the applicable regulations on auditing in force. Such written confirmation is attached hereto as an Annex.

Deloitte was appointed to audit the financial statements of the Inditex Group in FY2012, for an initial three-year term. Upon expiry of such initial term, Deloitte was subsequently re-elected as financial auditor of the Inditex Group for successive one-year periods. Therefore, FY2017 marks its sixth year as the auditor of accounts of the Inditex Group.

Mr Germán de la Fuente Escamilla, Deloitte’s partner, signed the audit of the financial statements of the Company and of the Inditex Group for FY2015 and FY2016. Likewise, he will sign the audit report for FY2017, this being his third year as lead auditor- in-charge. This means that the rotation of the lead auditor-in-charge is not mandatory during the financial year in course.

Throughout FY2017 Deloitte and the remaining firms of its international network and its associated firms, have rendered Inditex and its related companies, additional services other than audit of accounts. Such services are broken down in the Annex attached hereto. For the purposes of ensuring the auditors’ independence, before engaging the above referred services with Deloitte, it has been established that they are not incompatible with their task as auditors and that under no circumstance do they jeopardize their independence, pursuant to the restrictions set forth in the regulations governing audit of accounts. Additionally, a written confirmation from Deloitte was received, stating that no circumstances had been identified which may represent, either individually or as a whole, a significant threat to their independence for such purposes.

The engagement of additional services other than audit of accounts during FY2016 has taken place pursuant to Inditex’s internal regulations; namely, to the “*Procedure to Contract an Auditor for the Provision of Additional Services other than Auditing of*

Annual Accounts” (hereinafter, the “**Procedure**”), approved by the Audit and Control Committee on 18 July 2016. Pursuant to the provisions of section 4.1 thereof, the contracts executed with Deloitte or with its related natural or legal persons since the entry into force of such Procedure, regarding the provision of any additional services other than a must be authorized by the Audit and Control Committee.

The table below shows the fees charged by Deloitte and the remaining firms of its international network and its associated firms, broken down per type of service rendered:

Items	Fees (€k)
Audit Services	6,330
Other Verification services	430
Total Audit and Related services	6,760
Tax services	25
Other Services	128
Total Professional Services	6,913

Fees for audit of accounts services, amounting to €6,760k were fixed prior to commencement of the service, and they have not been influenced or determined by other services rendered by the auditor. Fees paid to Deloitte for services other than the audit of the annual accounts and other related services amount to €153k, which represents 2.2% of the aggregate fees.

Additionally, aggregate fees paid to Deloitte and its international network of firms for the provision of audit of account services and other types of services during FY2017, do not represent a significant percentage in the aggregate annual revenue of the financial auditors and its network, considering the average fees of the past three years.

Having reviewed the written confirmation issued by the auditor about its independence and the appropriateness of the additional services other than audit rendered, and having not found any evidence which may cast doubt on the independence of Deloitte, the Audit and Control Committee has unanimously resolved to issue a favourable opinion regarding the independence of Deloitte as financial auditor of the Inditex Group and its individual companies.

Done in Arteixo (A Coruña), on 12 March 2018

ANNEX I – BREAKDOWN OF SERVICES

With regard to item 2 of the written confirmation on the independence of auditors, the information on additional services of any kind rendered by the different firms which comprise Deloitte's international network worldwide, is broken down below, together with the relevant fees:

Other verification services

No. of engagements	Description	Fees (€k)
86	Reports on agreed procedures in respect of net sales in certain stores	0.18
16	Reports and other assignments required by statute from financial auditors.	0.17
21	Reports and other assignments related to audit of accounts	0.07
1	Reports on agreed procedures	0.01
Total		0.43

Tax services

No. of Engagements	Description	Fees (€k)
5	Different tax services	0.02
Total		0.02

Other services

No. of Engagements	Description	Fees (€k)
1	Review of the degree of compliance with Chapter III of the Regulations implementing LOPD (<i>Spanish Data Protection Act</i>)	0.04
5	Training on accounting matters	0.00
26	Other services	0.08
Total		0.13

Declaration of independence letter

12 March 2018
Industria de Diseño Textil, S.A.
Edificio Inditex, Avenida de la Diputación s/n
15142 Arteixo (A Coruña)

To the Audit and Control Committee of Industria de Diseño Textil, S.A.

Dear Sirs,

In relation to the audits of the consolidated and separate financial statements of the Industria de Diseño Textil, S.A. and Subsidiaries Group (“the Inditex Group”) for the year ended 31 January 2018, we confirm to you that, to the best of our knowledge and belief:

1. The team in charge of the audit engagement and Deloitte, S.L., with the extensions applicable to them, have complied with the independence requirements applicable under the provisions of the Consolidated Spanish Audit Law, issued by Legislative Royal Decree 22/2015, of July 20, and the EU Regulation 537/2014, of April 16.
2. The fees charged to the Inditex Group, by item, both for audit and non-audit services rendered in the year ended 31 January 2018 by Deloitte and its network, in order for you to assess our fees within the framework of our independence, are:

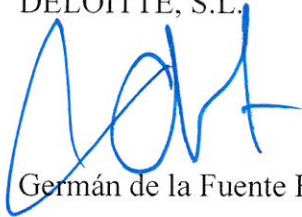
	Millions of Euros
Audit services in Spain	2.0
Group audit services	4.3
Total audit services	6.3
Other attest services	0.5
Total audit and related services	6.8
Tax counselling services	0.0
Other services	0.1
Total professional services	6.9

3. We have designed and implemented internal procedures aimed at identifying and assessing threats which might arise from circumstances related to audited entities, including those which might constitute situations of conflict of interest and, where appropriate, to the application of required safeguard measures, which can be consulted in Deloitte's Transparency Report at www.deloitte.es, and we have not identified any circumstances, taken separately or as a whole, that might constitute a significant threat to our independence and that would have required the application of safeguard measures in relation to the aforementioned audit, or for the reporting period covered by the financial statements and up to the issue of this letter.

This letter is for the exclusive information of and use by the Inditex Group's Audit and Control Committee for the aforementioned purpose and, therefore, it may not be used by third parties or for any purposes other than that mentioned above.

Yours faithfully,

DELOITTE, S.L.



Germán de la Fuente Escamilla