

REPORT OF THE AUDIT AND CONTROL COMMITTEE OF INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.) ON THE RELATED-PARTY TRANSACTIONS CARRIED OUT DURING FY2017.

This report is issued by the Audit and Control Committee to address the related-party transactions carried out by the Inditex Group throughout FY2017 which, pursuant to the provisions of section 15.2 (g) and section 40.2 of the Revised Text of the Board of Directors' Regulations (hereinafter, the "**Board of Directors' Regulations**") of Industria de Diseño Textil, S.A. (Inditex, S.A.) (hereinafter, "**Inditex**" or the "**Company**") and section 15 (c) of the Audit and Control Committee's Regulations, have been authorised by the Board of Directors, after favourable report of the Committee.

Throughout FY2017, the Board of Directors has authorised, following a favourable report of the Audit and Control Committee, a single related-party transaction, regarding the execution of a framework agreement covering the essential terms and conditions which shall govern, for the term of the agreement, the legal relationships which shall arise between the parties thereto, regarding the performance and development, by one company of the Inditex Group, of refurbishment, partial restoration and maintenance works of certain real properties directly or indirectly owned by a director and significant shareholder of Inditex, a legal representative of a director of the Company, and other persons and/or companies related to the former two.

The economic details of this related-party transaction are included in the Annual Report and in the Annual Corporate Governance for FY2017.

At any rate, the Board of Directors has reviewed the specific terms and conditions of such related-party transaction, following report of the Audit and Control Committee. Such terms and conditions were included in the letter of intent executed by the parties, and in the report issued by an independent expert to support the fact that this transaction was carried out within market conditions, fully respecting the principle of equal treatment of shareholders.

Likewise, the authorization of the transaction by the Board of Directors, was granted, pursuant to the provisions of section 34.2 (c) of the Board of Directors' Regulations, with the abstention of the affected directors, who were absent from the boardroom while the item was debated and put to vote.

Consequently, the related-party transaction carried out by the Inditex Grupo in FY2017 was conducted pursuant to the applicable regulations in the field, both external and internal and within market conditions.

Finally, in accordance with best practices in the area of corporate governance, this report will be posted on the corporate web early in advance of the date of the Annual General Meeting, pursuant to Recommendation 6 of the Good Governance Code of Listed Companies approved by CNMV in 2015.

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