
REPORT ON THE MOTION TO RE-ELECT MR AMANCIO ORTEGA GAONA TO THE BOARD OF DIRECTORS AS PROPRIETARY 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 report is issued pursuant to section 529*decies*(4)&(6) of the Spanish Companies Act, article 29.3(d) of the Articles of Association and sections 16.2(f) and 23.1 of the Revised Text of the Board of Directors' Regulations (the "**Board of Directors' Regulations**") of Industria de Diseño Textil, S.A. ("**Inditex**" or the "**Company**"), as well as section 5(e) of the Nomination Committee's Regulations. It covers the motion to re-elect Mr Amancio Ortega Gaona to the Board of Directors as proprietary director, that the Board of Directors will table to the Annual General Meeting.

Pursuant to the provisions of section 13.2(c) of the Board of Directors' Regulations, this report also covers the subsequent re-election by the Board of Directors of Mr Amancio Ortega Gaona as member of the Executive Committee.

II. PURPOSE

Upon preparing the motion to re-elect the above mentioned director, the Nomination Committee has taken into account the findings of its prior analysis of 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 23 May 2019, pursuant to Recommendation 14 of the Good Governance Code of Listed Companies, approved by CNMV in February 2015 ("**CBG**" [*Spanish acronym*]), and sections 3&5 of CNMV's Technical Guide 1/2019, on nomination and remuneration committees, approved on 20 February 2019.

Namely, the Nomination Committee has taken into account that in order for the Board of Directors to duly perform its duties, its members shall, as a whole, have accredited abilities, skills, experience and merits: (i) regarding the Company, the Group, and the retail sector; (ii) in economy and finances, accounting, audit and risk management matters; (iii) in compliance and corporate governance matters; (iv) in the digital and new technologies sector, and in sustainability; (v) in different geographical markets; and (vi) in management, leadership and business strategy, as well as (vii) the requirement for each board member to be available for the necessary dedication to the position, with the main purpose of achieving the strategic objectives marked as a priority by the Company.

The Nomination Committee shall examine the advisability of the continuance in office and re-election of the director. For such reason, this motion also includes the evaluation of Mr Ortega's performance during his last tenure, and considers if the suitability requirements demanded for the discharge of the office of director are met.

III. PROFESSIONAL PROFILE AND SKILLS

The founder of Inditex, Mr Amancio Ortega Gaona was the first Chairman of the Board of Directors from the date the company was incorporated, in June 1985 and until the date of election of the current Chairman in 2011.

He was appointed Chairman of the Executive Committee when it was set up in 1997 and re-elected to the Board of Directors for the last time further to a resolution passed by the Annual General Meeting on 14 July 2015 for a four-year term, pursuant to the Articles of Association.

Mr Amancio Ortega Gaona began his textile manufacturing operations in 1963. In 1972 he founded Confecciones Goa, S.A., the first garment-making factory of Inditex and three years later he founded Zara España, S.A. the first retailing company of the Group. Mr Ortega is company director and ordinary member of the Executive Committee.

Considering the foregoing, the Nomination Committee highly values: (i) his extensive career at the Inditex Group, and consequently, his invaluable knowledge of the company's business model and commercial strategy, the dynamics of its governing bodies, its governance regulations, and management and supervision functions at the highest level; (ii) his leadership and recognition by the market and the society at large; and (iii) his values, which are at the core of Inditex's ethical culture.

IV. PERFORMANCE

The Nomination Committee has reviewed the work done and the dedication of Mr Ortega during his previous tenure.

Mr Ortega has been present at 20 meetings of the Board since July 2015, which represents a 90.90% level of attendance.

Further to its review, the Nomination Committee is very satisfied with Mr Ortega's service as director, and highly values: (i) his commitment, diligence and professionalism in the performance of his duties as director; and (iii) his continuous contribution to the proceedings and meetings of the Board of Directors and its committees.

V. INELIGIBILITY

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, nor any of the scenarios whereby directors must offer their resignation to the Board of Directors, pursuant to section 25.2 of the Board of Directors' Regulations, apply to Mr Ortega.

VI. CLASSIFICATION AS PROPRIETARY DIRECTOR

The Nomination Committee has established that the candidate proposed meets the requirements to continue being considered a proprietary director, pursuant to section 529*duodecies* of the Companies Act.

VII. CONTRIBUTION TO THE BALANCED MEMBERSHIP OF THE BOARD

It is also established that the re-election of Mr Ortega to the Board of Directors as proprietary director contributes to reinforcing the balance of proprietary and independent directors on the board, meeting at the same time 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, as well as of

Recommendation 17 CGB. In this regard, should the proposed re-election of Mr Ortega to the Board of Directors be approved by the Annual General Meeting, a majority of non-executive directors will continue sitting on the Board of Directors.

On the other hand, the presence of Mr Ortega on the Board of Directors is appropriate to keep a sufficient level of stability and balance in the governance structure of the Company, ensuring that counterweight exist to mitigate potential risks associated with concentration of power.

Considering the foregoing, pursuant to the provisions of section 529*decies* of the Companies Act, article 29.3(d) of the Articles of Association, and section 16.2(f), section 21.2 and section 23.1 of the Board of Directors' Regulations, as well as section 5(e) of the Nomination Committee's Regulations, the Committee has resolved to give a favourable report to the motion on the re-election of Mr Amancio Ortega Gaona to the Board of Directors, as proprietary director, to be subsequently tabled to the Annual General Meeting, as well as, if appropriate, his subsequent re-election by the Board of Directors as member of the Executive Committee.

Done in Arteixo (A Coruña), on 10 June 2019