

**ANNUAL GENERAL MEETING OF  
INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A)**

**13 JULY 2021**

At the Annual General Meeting of Industria de Diseño Textil, S.A. (Inditex, S.A.) held on 13 July 2021, each of the following Resolutions was passed pursuant to the agenda:

**1.- Review and approval, if appropriate, of the Annual Accounts (Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and Notes to the accounts) and Directors' Report of Industria de Diseño Textil, Sociedad Anónima, (Inditex, S.A.) for financial year 2020, ended 31 January 2021.**

To receive the Annual Accounts (Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and Notes to the accounts) and Directors' Report of Industria de Diseño Textil, Sociedad Anónima, (Inditex, S.A.) ("Inditex" or the "Company") for financial year 2020 (ended 31 January 2021), stated by the Board of Directors in the meeting held on 9 March 2021 in accordance with format and labelling requirements set out in Commission Delegated Regulation (EU) 2019/815, signed by all the directors and verified by the company's statutory auditor.

**2.- Review and approval, if appropriate, of the Consolidated Annual Accounts (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the consolidated accounts) and Consolidated Directors' Report of the Inditex Group for financial year 2020, ended 31 January 2021. Discharge of the Board of Directors.**

To receive the Consolidated Annual Accounts (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the consolidated accounts) and Consolidated Directors' Report of the Inditex Group for financial year 2020 (ended 31 January 2021), stated by the Board of Directors in the meeting held on 9 March 2021 in accordance with format and labelling requirements set out in Commission Delegated Regulation (EU) 2019/815, signed by all the directors and verified by the company's statutory auditor.

To discharge the Board of Directors of Industria de Diseño Textil, S.A. (Inditex, S.A) from liability in financial year 2020.

**3.- Review and approval, if appropriate of the Statement on Non-financial Information for FY2020.**

To approve the Statement on Non-financial Information for financial year 2020 (ended 31 January 2021) which is an integral part of the Consolidated Directors' Report of the Inditex Group for said year, stated by the Board of Directors in the meeting held on 9 March 2021.

#### **4.- Distribution of the year's income or loss and declaration of dividend**

To approve the proposed distribution of the income of financial year 2020 (ended 31 January 2021), in the amount of two billion nine hundred twenty-three million euros (€2.923 billion) to be distributed as follows:

MILLION EUROS

To capitalization reserve.....	€250,000,000
To voluntary reserves.....	€492,000,000
TOTAL .....	€2,181,000,000

Declaration of dividend: (maximum amount to be distributed as follows: fixed dividend in the gross amount of €0.70 per share comprised of ordinary dividend in the amount of €0.22 per share and bonus dividend in the amount of €0.48 per share, for all outstanding shares).

TOTAL..... €2.923 billion

It is thus resolved to pay shares with a right to dividend, the gross amount of €0.70 per share. The gross amount of €0.35 per share having already been paid on 3 May 2021 as interim dividend, it is thus resolved to pay shares with a right to dividend a final dividend in the gross amount of €0.35 per share, remaining amount to add up to the total dividend.

Said final dividend will be paid to shareholders as of 2 November 2021, through those entities linked to the Spanish Central Securities Depository in charge of the Register of Securities and the Clearing and Settlement of all trades (Iberclear) where they have their shares deposited.

#### **5.- Re-election of Mr José Arnau Sierra to the Board of Directors as non-executive proprietary director**

To approve the re-election of Mr José Arnau Sierra to the Board of Directors as non-executive proprietary director for the 4-year term provided in the Articles of Association as of the date of the Annual General Meeting. Mr Arnau's personal details have already been registered with the Companies Register.

#### **6.- Re-election of Deloitte, S.L. as statutory auditor of the company and its Group for financial year 2021.**

To re-elect Deloitte, S.L, with registered office at Madrid, Plaza Pablo Ruiz Picasso 1, with VAT No. B-79104469, registered with the Official Register of Auditors under number S0692, to be the statutory auditor of the company in order to review the annual accounts and the directors' report of the company and the consolidated annual accounts and directors' reports of the Inditex Group for financial year 2021 (from 1 February 2021 through 31 January 2022).

**7. Amendment to the Articles of Association for the purposes of aligning them with the provisions of Act 5/2021, of 12 April, amending the revised text of the Spanish Companies Act, approved by Real Decreto Legislativo 1/2010, of 2 July, and other financial regulations, as regards encouragement of long-term shareholder engagement in listed companies, and introducing certain corporate governance enhancements and recommendations.**

To approve the following amendments to the Articles of Association for the purposes of aligning its provisions with the Spanish Companies Act as amended by Act 5/2021 of 12 April, as regards long term shareholder engagement in listed companies, and to align its language with that of the Board of Directors' Regulations and the terms of reference of the Audit and Compliance, Nomination, Remuneration and Sustainability Committees, as amended, for the purposes of encompassing the changes made to the Good Governance Code of Listed Companies, further to its partial review approved by the board of the Spanish National Securities Market Commission ("CNMV") on 25 June 2020, pursuant to the terms set forth in the explanatory report issued by the Board of Directors for the purposes of section 286 of the Companies Act:

- a) To approve the amendment to article 8 ("Representation of shares") in Chapter II.
- b) To approve the addition of article 15*bis* ("Hybrid and virtual-only general meetings") and the amendment to article 15 ("Notice. Universal General Meetings"), article 16 ("Eligibility to attend the General Meetings of Shareholders. Right to vote") article 17 ("Representation at the General Meeting of Shareholders"), article 19 ("Panel of the General Meeting of Shareholders. Deliberations"), article 20 ("Passing of resolutions") and article 21 ("Minutes and certificates"), all of them in Part I ("General Meeting of Shareholders") in Chapter III
- c) To approve the amendment to article 22 ("Board of Directors"), article 24 ("Appointment of directors and term of office"); article 25 ("Calling board meetings. Quorum. Passing of resolutions"), article 28 ("Audit and Compliance Committee"), article 29 ("Nomination Committee"), article 30 ("Remuneration Committee"), and article 30*bis* ("Sustainability Committee") all of them in Part II. ("Board of Directors") in Chapter III.
- d) To approve the amendment to article 36 ("Approval of the accounts and distribution of the year's income of loss") in Chapter IV.
- e) Consequently, to approve the revised text of the Articles of Association resulting from said amendments, which has been made available to the shareholders on the Company's website ([www.inditex.com](http://www.inditex.com)) as of the date of publication of the notice of the AGM, together with the remaining documentation of the Annual General Meeting.

**8.- Approval of the revised text of the Regulations of the General Meeting of Shareholders to align it with the provisions of Act 5/2021, of 12 April, amending the revised text of the Spanish Companies Act, approved by Real Decreto Legislativo 1/2010, of 2 July, and other financial regulations, as regards encouragement of long-term shareholder engagement in listed companies.**

To approve the revised text of the Regulations of the General Meeting of Shareholders, to align it with the language of the Articles of Association, as amended and with Act 5/2021 of 12 April, amending the revised text of the Spanish Companies Act, approved by *Real Decreto Legislativo* 1/2010 of 2 July, and other financial regulations, as regards encouragement of long-term shareholder engagement in listed companies, pursuant to the terms set forth in the explanatory report issued by the Board of Directors.

The revised text of the Regulations of the General Meeting of Shareholders submitted to the shareholders for approval at the Annual General Meeting under this agenda item has been made available to them on the Company's website ([www.inditex.com](http://www.inditex.com)) as of the date of publication of the notice of the AGM, together with the remaining documentation of the Annual General Meeting.

### **9.- Approval of the Directors' Remuneration Policy for FY2021, FY2022 and FY2023**

To approve Inditex's Directors' Remuneration Policy for FY2021, FY2022 and FY2023, pursuant to section 529*novodecies* of the Companies Act. Consequently, the current remuneration policy approved by the Annual General Meeting held on 17 July 2018, which is set to expire on 31 January 2022, shall cease to be effective. The full text of the Policy has been made available to the shareholders since the date the notice of the AGM was published.

### **10.- Approval of a long-term incentive plan in cash and in shares addressed to members of management, including executive directors and other employees of the Inditex Group**

To approve, pursuant to section 219 of the Companies Act, and article 31 of the Articles of Association, the Long-Term Incentive Plan (the "Plan") addressed to members of management, including executive directors, and other employees of the Inditex Group.

The Plan is in line with the directors' remuneration policy submitted to the shareholders for approval at the Annual General Meeting under agenda item 9, pursuant to section 529*novodecies* of the Companies Act.

Below are the basic terms and conditions of such Plan:

Description: The Plan consists of the combination of a pluri-annual bonus in cash and the promise to deliver shares free of charge, which will be paid to the beneficiaries of the Plan, either in full or in the relevant applicable percentage, once a specific period of time has elapsed and the achievement of specific targets has been established.

Beneficiaries: beneficiaries of the Plan shall mean such members of management, including executive directors, and other employees of the Inditex Group invited to participate in the Plan, up to a maximum number of 750.

Duration: The Plan has a total duration of 4 years and is divided into 2 separate and independent time cycles. The first cycle of the Plan runs from 1 February 2021 through 31 January 2024. The second cycle of the Plan extends from 1 February 2022 through 31 January 2025.

Maximum number of shares: the maximum number of shares subject to the Plan is 7,500,000 ordinary shares, representing 0.24% of the share capital of the Company. Out of such shares, a maximum number of 300,000 shares is addressed to the Executive Chairman, and a maximum number of 160,000 shares to the CEO.

Maximum incentive granted and benchmarking value of the shares: the maximum incentive granted is the sum of the maximum incentive granted in cash and the maximum incentive granted in shares. It will be individually disclosed to each beneficiary.

The maximum incentive granted in cash is a sum (in euros) established for each beneficiary.

The maximum incentive granted in shares is a number of shares for each beneficiary, resulting from the following formula:

Maximum Incentive granted in shares = value of the award in euros /average weighted closing price of Inditex's share on the 30 trading days immediately prior to the commencement date of each cycle (exclusive). The first cycle commences on 1 February 2021 and the average closing price of Inditex's shares is €25.81.

No incentive may be granted in excess of the Maximum Incentive Granted.

Terms: the amount of the incentive in cash and the number of shares to be delivered to each beneficiary at the end of each cycle will be determined by multiplying the maximum incentive granted to the beneficiary in question, by the weighted payout coefficient. Such coefficient will be determined based upon the level of achievement of the targets set for each cycle.

Executive directors will receive, if appropriate, an incentive which will materialize as follows: 60% in shares and 40% in cash. The remaining members of management and employees who are beneficiaries of the Plan will receive, if appropriate, an incentive which will materialize as follows: 60% in shares and 40% in cash; 50% in shares and 50% in cash; 40% in shares and 60% in cash; or, 25% in shares and 75% in cash, based upon the system assigned to each beneficiary.

The achievement of the targets will be measured on the basis of identifiable and quantifiable parameters called metrics. The incentive to be paid to each individual beneficiary will depend upon a number of metrics tied to the strategic objectives of the company while the plan is in effect, in line with the provisions of the directors' remuneration policy in this regard.

With regard to the first cycle of the plan, the incentive to be awarded to each beneficiary will be based upon the following metrics:

- EBT (earnings before taxes): amount (in euro) of earnings before taxes for financial year 2023.
- Store and Online Sales: amount (in euro) of total store and online sales in constant currencies for financial year 2023, according to the company's information.
- Absolute and relative Total Shareholder Return (TSR):
  - Absolute TSR: is defined as the evolution of an investment in Inditex's shares for the first cycle, determined by the ratio (expressed as a percentage) of the final value of an hypothetical investment in Inditex shares (reinvesting dividends from time to time) on the initial value of such same hypothetical investment.
  - Relative TSR is defined as the evolution of an investment in Inditex's shares compared with the evolution of an investment in shares of any of the companies included in the Benchmark Group (as defined below), determined by the ratio (expressed as a percentage) of the final value of an hypothetical investment in shares (reinvesting dividends from time to time) on the initial value of that same hypothetical investment.
- Sustainability index, comprised of the following 4 indicators:
  - Sustainable product: measured by the percentage of sustainable garments.
  - Waste management: measured in terms of Inditex's facilities (headquarters, factories, logistics centres and stores) where a waste management system for an appropriate waste recycle, recovery and processing is in place, preventing that they end in a landfill.
  - Decarbonization: measured in terms of reduction of the volume of (Scope 1 and 2) Greenhouse Gas emissions in own transactions.
  - Social: measured in terms of the percentage of Inditex suppliers rated A or B in social audits.

In the first cycle, each metric will be weighted as follows: (i) 25% EBT; (ii) 25% Store and online Sales; (iii) 25% TSR (12.5% for absolute TSR and 12.5% for relative TSR); and (iv) 25% the Sustainability index.

In order to calculate the pay-out coefficient achieved for each level of achievement of targets, a performance scale will be determined for each metric at the beginning of each cycle. Such scale will include a minimum threshold under which no incentive will be awarded, corresponding to a 30% pay-out coefficient of maximum incentive granted, and a maximum level, corresponding to a 100%

of pay-out coefficient of maximum incentive granted. For intermediate levels, results will be determined by linear interpolation.

- With regard to EBT and Store and Online Sales: the numbers reached in FY2023 will be considered and compared with the target amount set by the board of directors at the beginning of the first cycle.
- With regard to absolute TSR: the average weighted closing price of the share in the 30 trading days immediately prior to 1 February 2021 (exclusive) (€25.81) will be considered as initial value; whereas, the average weighted closing price of the share in the 30 trading days immediately prior to 31 January 2024 (inclusive) will be considered as final value. To calculate such final value, dividends or such other similar amounts received by shareholders on said investment during the relevant period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to the shareholders and at the closing price of the share on that date.
- With regard to relative TSR:

The Benchmark Group is made up of the companies included in the Dow Jones Retail Titans 30 index as at 1 February 2021, for the first cycle (the "Benchmark Group").

For the purposes of Inditex's TSR and the TSR of each company within the Benchmark Group, Initial Value shall be understood as the average weighted closing price of each company's share in the 30 trading days immediately prior to 1 February 2021 (excluded).

For the purposes of Inditex's TSR and the TSR of each of the companies included in the Benchmark Group, Final Value shall be understood as the average weighted closing price of each company's share in the 30 trading days immediately prior to 31 January 2024 (inclusive).

In order to calculate such final value, dividends or such other similar amounts received by shareholders on said investment during the relevant period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to the shareholders and at the closing price of the share on that date.

At the end of each cycle, Inditex's TSR and the TSR of each company included in the Benchmark Group will be calculated. The companies within such Benchmark Group will be ranked in descending order, based upon the highest or lowest TSR of each of them.

Inditex's TSR will then be compared with the TSR of the companies included in the Benchmark Group to determine Inditex position in the ranking. Subsequently, the portion of the incentive to be delivered shall be calculated, interpolating between the payout coefficients of such positions, according to the difference between TSR values.

The relevant pay-out coefficient will range from 30% of Maximum Incentive Granted if Inditex is ranked at the median of the Benchmark Group ("minimum level of achievement") to 100% of Maximum Incentive Granted if Inditex is ranked fifth or above within the Benchmark Group ("maximum level of achievement").

- Sustainability index:

The Remuneration Committee will follow up on the targets, on an annual basis, and evaluate the achievement thereof at the end of each cycle. Such evaluation is carried out based upon the information and numbers provided by the Financial Division, the General Counsel's Office – Office of the Chief Compliance Officer, the Corporate Development Department and the Sustainability Department. All such information is reviewed first by the Audit and Compliance or the Sustainability Committees, as the case may be. For the evaluation of indicators no. 1 (Sustainable product) and no.2 (Waste management), the percentages achieved respectively at the end of the cycle will be considered. As regards indicator no. 3 (Decarbonization), the evaluation to be carried out will consider such indicator at the final date of the cycle in order to determine reduction versus the year set as baseline year. Finally, as regards indicator no. 4 (Social), the evaluation will be based on the average of the cycle's three years.

In order to establish targets and evaluate their achievement, the Remuneration Committee will also consider any associated risk. Upon determining the level of achievement of targets, any economic effects, whether positive or negative, arising from extraordinary events which might distort the results of the evaluation, will be removed.

Executive directors must retain a number of shares equivalent to the incentive awarded in shares, net of any applicable taxes, for the 2 years following their award. Additionally, beneficiaries to whom notice is expressly given for such purpose, shall retain a number of shares equivalent to the incentive awarded in shares, net of any applicable taxes, for 1 year following their award.

Delivery date:

The incentive earned in cash will be paid within the calendar month following the date of publication of the annual accounts for FY2023, with regard to the first cycle and within the calendar month following the date of publication of the annual accounts for FY2024, with regard to the second cycle. The incentive earned in shares will be awarded within the calendar month following the date when the Board of Directors approves the notice of the Annual General Meeting for 2023, with regard to the first cycle; and within the calendar month following the date when the Board of Directors approves the notice of the Annual General Meeting for FY2024, with regard to the second cycle.

Cancellation or clawback: with regard to executive directors and those beneficiaries to whom notice has been expressly given, the Company may cancel and/or claim refund of the long-term incentive paid, in full or in part, (clawbacks) in the event that any of the following circumstances would occur during the 2 years following the award of the incentive for the proceedings carried out in each cycle:

- Group losses (negative EBT) in the 2 years following the end of each cycle, attributable to management decisions made in the performance period of each cycle;
- Material restatement of the Group's financial statements, when so considered by the external auditors, except where this is appropriate pursuant to a change in accounting standards;
- Serious breach of the internal regulations on the part of the beneficiary, as evidenced by the Committee of Ethics.

The Board of Directors is authorized, in the broadest terms and with the express authority to delegate such powers, so that it would implement, develop and formally execute the Plan, passing such resolutions and subscribing such documents, whether public or private, as may be necessary or expedient so that such Plan would be fully effective, including the power to correct, change, amend or supplement the relevant resolution of the Annual General Meeting and, generally to pass such resolutions and carry out such proceedings as may be necessary or expedient for the full effect of this resolution and to implement, execute or settle the Plan, including, without limitation, the following powers:

- (a) To designate at any time the beneficiaries of the Plan and determine the maximum incentive granted to each of them and cancel, where appropriate, the appointments and grants previously made.
- (b) To develop and set the specific terms of the Plan, regarding any and all issues not addressed in this resolution, being entitled to approve operating Rules for the Plan.
- (c) To determine for the second cycle, following a report of the Remuneration Committee, the parameters in line with strategic priorities from time to time in force, that will be disclosed in the relevant Annual Report on Remuneration of Directors, consistently with the remuneration policy from time to time in effect.
- (d) To consider upon determining the level of achievement of targets, the removal of any economic effects, whether positive or negative, that result from extraordinary events and which might distort the outcome of the evaluation.
- (e) And generally, to carry out such acts and things, pass such resolutions and execute such documents as may be required or expedient for the validity, effectiveness, implementation, execution and performance of the Plan and of the resolutions previously passed.

**11.- Advisory vote (say on pay) on the Annual Report on the Remuneration of Directors for FY2020.**

To approve, by means of an advisory vote (say on pay), the Annual Report on the Remuneration of Directors of Industria de Diseño Textil, S.A. (Inditex, S.A.) approved by the Board of Directors on 9

March 2021, the full text of which has been made available to the shareholders, together with the remaining documentation for the Annual General Meeting, as of the date the notice of the AGM was published.

## **12.- Granting of powers to implement resolutions.**

To delegate to the Board of Directors, expressly empowering it to be substituted by the Executive Committee or by any of its members, as well as to any other person expressly authorised for these purposes by the Board, all necessary and broadest powers as required in statute for the correction, development and implementation, at the time that it may deem most appropriate, of each and every resolution passed by this Annual General Meeting.

Namely, to authorise the Executive Chairman, Mr Pablo Isla Álvarez de Tejera and the CEO, Mr Carlos Crespo González, and to grant a special power of attorney as broad as might be required in statute, to the Secretary of the Board, Mr Óscar García Maceiras so that, any of them may, jointly and severally, without distinction, and as widely as is necessary at law, do and perform all acts and things as may be required to implement the resolutions passed by this Annual General Meeting in order to record them with the Companies Register and with any other Public Registries, including, in particular, without limitation, the power to appear before a Notary to execute the public deeds and notary's certificates that are necessary or expedient for such purpose, correct, change, ratify, construe or supplement the agreements and execute any other public or private document which may be necessary or expedient so that the resolutions passed are implemented and fully registered, without the need for a new resolution of the Annual General Meeting to be passed, and to proceed to the mandatory filing of the individual and consolidated annual accounts with the Companies Register.

## **13.- Reporting to the Annual General Meeting on the amendment to the Board of Directors' Regulations.**

Pursuant to the provisions of section 528 LSC, the Annual General Meeting is hereby informed that the Board of Directors resolved in the meeting held resolved in the meetings held on 14 December 2020 and 8 June 2021, following a favourable report of the Audit and Compliance Committee, to approve the amendment to the current Board of Directors' Regulations pursuant to the terms addressed in the explanatory report drawn up by the board of directors on this issue.

- (a) The amendments approved in the board meeting held on 14 December 2020 sought to align its provisions with (i) the partial review of the Good Governance Code of Listed Companies approved further to a resolution passed on 25 June 2020 by CNMV's board, and with (ii) the amendments to the standard forms of annual corporate governance report and annual report on remuneration of directors of public listed companies introduced by CNMV's Circular 1/2020 of 6 October, amending CNMV's Circulars 5/2013 and 4/2013 of 12 June 2013, to bring them into line with the revised wording of the GGC.
- (b) A second group of amendments, approved by the board of directors in the meeting held on 8 June 2021, answers the need to align the provisions of the Board of Directors' Regulations

with the legislative development that has been implemented since the last Annual General Meeting: to wit, the amendments made further to the entry into force of Act 5/2021, of 12 April, amending the revised text of the Companies Act approved by *Real Decreto Legislativo* 1/2010, of 2 July and other financial regulations, as regards the encouragement of long-term shareholder engagement in listed companies.

The effectiveness of such resolutions was subject to the condition precedent that the proposed amendments to the Articles of Association under agenda item 7 are approved by the Annual General Meeting.

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