
REPORT ON THE PROPOSAL ON THE RATIFICATION AND APPOINTMENT OF MR ÓSCAR GARCÍA MACEIRAS TO THE BOARD OF DIRECTORS AS EXECUTIVE DIRECTOR AND CEO, THAT THE NOMINATION COMMITTEE OF INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.) RAISES TO THE BOARD OF DIRECTORS TO BE SUBMITTED TO THE ANNUAL GENERAL MEETING

I. FOREWORD

This proposal is issued pursuant to section 529*quindecies*(3)(d) of the Spanish Companies Act (LSC (*Spanish acronym*)), article 29.3(e) of the Articles of Association and sections 16.2(e) and 21.2 of the Revised Text of the Board of Directors' Regulations of Industria de Diseño Textil, S.A. ("**Inditex**" or the "**Company**"), as well as section 6(h) of the Nomination Committee's Regulations. It covers the proposal on the ratification of the co-option of Mr Óscar García Maceiras to the board of directors as executive director that the Nomination Committee raises to the Board of Directors to be subsequently submitted to shareholders at the Annual General Meeting scheduled to be held on 12 July 2022 on first call or on 13 July 2022 on second call.

This proposal is raised to the board of directors pursuant to section 529*quindecies*(3)(f) LSC, articles 23.3 and 29.3(g) of the Articles of Association, section 8 of the Board of Directors' Regulations, and sections 6(j)&(n) of the committee's terms of reference and covers the ratification and appointment of Mr Óscar García Maceiras as CEO of Inditex.

Additionally, pursuant to sections 13.2 and 14.3 of the Board of Directors' Regulations, should the proposal on his ratification and appointment as executive director be approved, his appointment as member and Chair of the Executive Committee would become effective.

II. BACKGROUND

The proposal on the ratification and appointment of Mr García as executive director and CEO of the Company must be reviewed considering the special context of the departure of the former Executive Chairman, Mr Pablo Isla Álvarez Tejera, which was agreed with the company. This completes the generational handover and succession process, driven by Mr Isla and by Mr Amancio Ortega, founder, controlling shareholder and director. Such generational handover gave rise to a number of adjustments to the company's organizational structure, in line with best practices in the field of corporate governance.

A search for candidates to fill the positions of Chair of the board and CEO, replacing Mr Pablo Isla Álvarez de Tejera and Mr Carlos Crespo González, respectively was carried out on the advice of Heidrick & Struggles. The Nomination Committee played a very active role in the orderly and planned succession of the Chair: in addition to engaging the services of such firm, it carried out its own analysis of competences and skills that should be added or reinforced on the board, considering the strategic priorities and the current and future challenges of the Company, in particular:

- (i) considering the knowledge, experience and competences required to understand the business and its main risks and ensure its smooth operation; and
- (ii) The addition of women that fit the profile sought, to favour gender diversity on the board.

The findings of such analysis, which included the finding of the evaluation of performance and of the suitability review carried out by the external advisor, were written up in an explanatory report issued on 29 November 2021.

Further to the search and analysis of candidates and the selection of a new chair of the board of directors and a new CEO, the board of directors approved in the meeting held on 29 November 2021, on the proposal of the Nomination Committee, the co-option of Mr García to the board as executive director, to fill the vacancy resulting from Mr Crespo's resignation tendered at such board meeting from his position as director and CEO.

On 12 May 2022, the board of directors appointed Mr García as member and Chair of the Executive Committee, following a favourable report of the Nomination Committee. Such appointment would become effective following the ratification at the Annual General Meeting of his appointment as executive director.

Following his appointment as executive director and CEO, Mr García has assumed the duties of chief executive within the current structure, directly reporting to the Board of Directors. Should his appointment be ratified at the Annual General Meeting, Mr García will be the only executive director of the company.

III. PURPOSE

Upon preparing this report covering the proposal on the ratification of Mr García's co-option to the board, the Nomination Committee has taken into account the needs of the Board of Directors for the purposes of re-election or appointment of directors, written up in the relevant explanatory report today approved by the Nomination Committee, which in turn is based on the board skills matrix approved by the board of directors in the meeting held on 12 May 2022.

In particular, the Nomination Committee has found that in order to duly perform its duties, the Board of Directors as a whole shall have accredited abilities, skills, experience and merits: (i) in the Company itself, the Group and the retail sector; (ii) in economy, finances, accounting, audit and risk management matters; (iii) in regulatory compliance and in corporate governance; (iv) in the digital and new technologies sector, aimed at the achievement one of the strategic goals marked as a priority, i.e., the Company's digitalization; (v) in different geographic markets; and (vi) in management, leadership, business strategy, and the required availability for the necessary dedication to the position.

Additionally, the Committee has deemed it expedient at this particular time that the proposals on the re-election and appointment of directors should seek to keep or reinforce within the supreme governing body of the company: (i) the different profiles and experiences aligned with the Company's strategic focal points; (ii) high diversity in terms of, without limitation, professional experience, competences, personal skills, sector-specific knowledge, gender and age; (iii) a balance of directorship types on the board, ensuring a majority of non-executive directors, most of them independent, and an appropriate representation of proprietary directors; and (iv) a progressive board refreshment, together with the necessary presence on the board of members with a wide experience and knowledge about the Company, the Group, its business, and the retail sector in general.

Consequently, pursuant to the above referred regulations, the report and the proposal address the skills, experience and merits of the candidate proposed to be appointed as executive director and CEO.

IV. PROFESSIONAL PROFILE AND SKILLS

Mr Óscar García Maceiras is a law graduate from Universidade de A Coruña, which awarded him the *Extraordinary Prize* (Premio Extraordinario) and *Special-Graduation* (Premio Fin de Carrera) awards. He is a State Attorney (Abogado del Estado), and has completed postgraduate studies at IESE Business School, The Valley Digital Business School and Singular University.

During his 20 years of professional career he has held various positions, both in the public sector, in which he began his career as a Spanish State Attorney, and the private sector, in which he held the positions of General Secretary of Banco Pastor, General Vice-Secretary Counsel of Banco Popular, Corporate Development General Director and General Secretary and of the Board of SAREB, as well as Chief Legal Officer and Vice-Secretary of the Board of Directors of Banco Santander.

Mr Garcia joined the Group in 2021 as General Counsel and Secretary of the Board of Directors and all board committees.

V. INELIGIBILITY

The Committee has established that none of the causes of ineligibility to be a company director provided in section 213 LSC and in section 22 of the Board of Directors' Regulations, apply to Mr Óscar García Maceiras

The Committee has further established that Mr García has no other professional occupation that might hinder his appropriate and effective dedication as director and Chair of the Board of Directors.

Consequently, the Committee considers that Mr García meets the requirements of ability, compatibility and availability necessary to serve as a director and as CEO of the company.

VI. CLASSIFICATION AS EXECUTIVE DIRECTOR

The Nomination Committee has established that the proposed candidate meets the requirements to be considered an executive director, pursuant to section 529*duodecies* LSC, and that none 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 him.

VII. CONTRIBUTION TO THE BOARD OF THE APPOINTMENT OF THE NEW EXECUTIVE DIRECTOR AND CEO

With regard to Mr García's competence, skills and merits, the Nomination Committee highly values his successful career and professional reputation.

The candidate's long professional career, both in the public sector, as State Lawyer and in private companies, where he has held senior positions in major financial institutions, allows to consider Mr García as a suitable candidate for the proposed position, able to satisfactorily perform the duties inherent in the same, as his experience has given him significant background in the financial, accounting, audit and risk management areas. In particular, his wide experience in the public sector, and his relations with regulators are deemed to be an invaluable asset for his role as institutional representative of the company and in a changing regulatory environment these past years, with an impact on the Group's business activities.

Special mention should be made of Mr García's involvement in large projects, such as the direct management within public administrations with regard to the Prestige oil tanker disaster, one of the most complex environmental cases occurred in Spain. This experience is key to him continuing driving the sustainability road map, one of the key strategic lines of the Group. Also noteworthy is his involvement as founder of Sociedad de Gestión de Activos procedentes de la Reestructuración Bancaria [*Company for the Management of Assets resulting from the Restructuring of the Banking system*](SAREB), one of the most prominent recovery projects in Spain following one of the highest real estate crisis in the country, or his experience in M&A. Considering this, Mr García is deemed to have the necessary skills to navigate complex environments, as well as organizational and managerial skills to lead the Group and to successfully undertake strategic transformation projects.

Moreover, the following is highly valued (i) the knowledge gained on the Group, its business, its corporate ethics culture and its governance regulations, as well as, in this regard, (ii) his efforts, commitment and dedication in the performance of his duties, in particular, as General Counsel and Secretary of the board and its committees, having duly supported the board of directors, its chair and its committees.

Mr García has the full trust of the founder and controlling shareholder, Mr Ortega, and the respect of all directors, having shown high professional competence during his tenure as General Counsel and Secretary of the Boards. In the annual evaluation of his performance, board members rated his performance as outstanding, pointing out how easily he had embraced the company's culture and philosophy, the fact that he is a very relatable person, an active listener, his permanent availability, his analytical capability, professionalism, being results-oriented. In

his short tenure as Secretary and Chief Compliance Officer, Mr García led significant organic reforms and foster enhancement in all areas under his purview, in particular, corporate governance practices. All of this is considered as relevant factors for the appropriate performance of his duties.

Mr García's election to the board contributes to board refreshment, as a younger, more diverse and plural team is formed, with the capacity to tackle increasingly complex issues that need to be approached from a more modern perspective. Likewise, given his career in the Company and the acquired business knowledge, the continuity of the founder's project and of the company's values is ensured.

In view of the foregoing, the Committee considers that Mr García has the appropriate skills, experience and availability, as well as the dedication and commitment required to be the Company's CEO.

The election of Mr García to the board contributes to: i) reinforcing diversity of directorship types, as well as experience in such areas as digital and strategic transformation, sustainability, corporate governance and relations with regulators; (ii) reducing average age and tenure of directors; (iii) a progressive board refreshment; (iv) cutting power concentration in a single person, as the roles of Chair of the board and chief executive are separate; (v) supporting the board's oversight on the implementation of the Group's corporate strategy; and (vi) keeping a balanced membership of proprietary and independent directors. In this regard, being the only executive director on the board, the large majority of independent directors on the board is reinforced, in accordance with section 7.2 of the Board of Directors' Regulations, and Recommendation 15 GGC. Likewise, the percentage of independent directors compared to other directorship types present on the board is high.

Considering the foregoing, pursuant to the above referred regulations, the Nomination Committee resolved by unanimous vote, to propose to the board of directors the ratification of the co-option of Ms Óscar García Maceiras to the board as executive director, and his election for the 4-year term provided in the Articles of Association. Such ratification shall be subsequently submitted to shareholders at the Annual General Meeting.

The Committee further resolved by unanimous vote to propose to the board of directors the ratification and appointment of Mr Óscar García Maceiras as CEO of Inditex.

Done in Arteixo, A Coruña (Spain), on 6 June 2022.