REPORT OF THE BOARD OF DIRECTORS OF INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.) REGARDING THE SUBSTANTIATED PROPOSAL ON THE DIRECTORS' REMUNERATION POLICY FOR FINANCIAL YEARS 2027, 2028 AND 2029, INCLUDED AS AGENDA ITEM NO. 7 OF THE ANNUAL GENERAL MEETING CALLED TO BE HELD ON TUESDAY 7 JULY 2026 ON FIRST CALL AND ON WEDNESDAY 8 JULY 2026 ON SECOND CALL, RESPECTIVELY

The Board of Directors of Industria de Diseño Textil, S.A. ("**Inditex**" or the "**Company**") has drawn up this report in accordance with Section 529*novodecies*(4) of the revised text of the [Spanish] Companies Act ("**LSC**"), approved by *Real Decreto Legislativo* 1/2010, of 2 July, relating to the new directors' remuneration policy.

The current directors' remuneration policy for financial years 2024, 2025 and 2026 was approved at the Annual General Meeting ("**AGM**") held on 11 July 2023 and will remain effective until 31st January 2027.

Pursuant to applicable regulations *"proposals for new directors' remuneration policies shall be submitted to shareholders at the Annual General Meeting before the last year of effect of the former policy expires*", the Remuneration Committee ("**RC**" or the "**Committee**") has drawn up a proposal for a new directors' remuneration policy for financial years 2027, 2028 and 2029 (the "**Remuneration Policy**"), accompanied by the relevant explanatory report.

The Board of Directors has reviewed such explanatory report in relation to such proposal prepared by the RC on 1 June 2026, which describes the key principles of the Remuneration Policy, its main features and provides a rationale for the amendments introduced.

Should it be approved, the proposed Remuneration Policy will enter into force on 1st February 2027 and will be in effect in financial years 2027, 2028 and 2029.

As described in the above referred explanatory report, following a comprehensive review of the current remuneration policy and an assessment of the remuneration benchmarking processes carried out in relation to the competitiveness of both the remuneration structure and the levels of remuneration items, the RC concluded that certain remuneration amounts should be updated after extended periods without revision.

In particular, although the new Policy does not introduce any material structural changes and maintains a continuity approach in terms of the overall structure, principles and philosophy of the current remuneration policy, it incorporates updates to the remuneration applicable to certain elements of the CEO's remuneration package and to the remuneration of the non-executive Chair and directors in their status as such, as well as to certain positions associated with the proceedings of the Board and its Committees.

These amendments are intended to maintain a reasonable balance between the remuneration framework and the significance, scale and complexity of the Company, the results achieved and the value created for shareholders, while reflecting the evolution of the responsibilities and level of commitment associated with the various positions and ensuring the external competitiveness of the remuneration framework in line with the practices observed at comparable companies.

In addition, the new Policy introduces certain technical and editorial improvements aimed at reinforcing the clarity and consistency of certain provisions and adapting the existing text to the remuneration practices effectively applied in practice.

Furthermore, the new Policy also strengthens the alignment between the CEO's performance and remuneration and the interests of the Company's shareholders, given that part of the annual variable remuneration accrued will be delivered in

shares (subject to a two-year share retention requirement). As a result of the increases and adjustments applied to both the fixed remuneration and annual variable remuneration of the CEO, the weighting of total variable remuneration under a target performance scenario increases, thereby reinforcing the pay-for-performance principle, while at the same time maintaining an appropriate balance between fixed and variable components and supporting prudent and sustainable risk management.

In light of the foregoing, the Board of Directors endorses the conclusion reached by the Remuneration Committee that the proposed Remuneration Policy: (i) is balanced and proportionate, maintaining a prudent approach consistent with sustainable long-term management; (ii) incorporates appropriate risk control and risk management mechanisms; and (iii) maintains a reasonable relationship with the scale, complexity, circumstances and performance of the Group, as well as with the remuneration practices observed at peer companies.

In summary, as described by the Committee in its report, the Remuneration Policy remains appropriately aligned with Inditex's short- and long-term strategic priorities, the creation of sustainable shareholder value, market conditions and prevailing recommendations and best practices in corporate governance.

Accordingly, the Board of Directors fully endorses the considerations set out by the RC in relation to the proposed Remuneration Policy contained in its report dated 1st June 2026 and, pursuant to Section 529*novodecies*(4) LSC, resolves by unanimous vote to issue this report, which constitutes the reasoned proposal to be submitted to shareholders at the Annual General Meeting.

The text of the Remuneration Policy, together with this reasoned proposal and the explanatory report prepared by the Remuneration Committee, will be made available to shareholders on the Company's corporate website together with the notice of the Annual General Meeting.

In Arteixo (A Coruña), on 2nd June 2026.

REPORT OF THE REMUNERATION COMMITTEE OF INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX S.A.) REGARDING THE PROPOSAL FOR APPROVAL OF THE DIRECTORS' REMUNERATION POLICY FOR FINANCIAL YEARS 2027, 2028 AND 2029, INCLUDED AS AGENDA ITEM NO. 7 OF THE ANNUAL GENERAL MEETING CALLED TO BE HELD ON TUESDAY 7 JULY 2026 ON FIRST CALL OR ON WEDNESDAY 8 JULY 2026 ON SECOND CALL, RESPECTIVELY

I. PURPOSE

The Board of Directors of Industria de Diseño Textil, S.A. ("**Inditex**", the "**Company**" or the "**Group**") intends to submit to shareholders at the upcoming Annual General Meeting ("**AGM**") a new Directors' Remuneration Policy (the "**Remuneration Policy**" or the "**Policy**") for approval, pursuant to Section 529*novodecies*(1) of the Spanish Companies Act ("**LSC**"), which provides that proposals for new directors' remuneration policies must be submitted to shareholders at the AGM before the end of the final year in which the previous policy applies. The new Directors' Remuneration Policy is attached hereto as Appendix I.

In accordance with Article 30.3(a) of the Articles of Association, Section 17.1(a) of the Revised Text of the Board of Directors' Regulations, and Section 6(i)(a) of the Terms of Reference of the Remuneration Committee, Inditex's Remuneration Committee ("**RC**" or the "**Committee**") shall be responsible for proposing the directors' remuneration policy to the Board of Directors for submission to shareholders at the Annual General Meeting for approval.

The current Directors' Remuneration Policy of the Company for financial years 2024, 2025 and 2026 was approved at the AGM held on 11 July 2023 and will be in effect until 31st January 2027.

If approved, the proposed Remuneration Policy shall enter into force on 1st February 2027 and be effective during financial years 2027, 2028 and 2029.

This report is also issued pursuant to Section 529*novodecies*(4) LSC, which provides that the directors' remuneration policy shall be reasoned and accompanied by an explanatory report issued by the RC.

The new Policy retains the key principles, criteria and overall structure of the current remuneration policy. The amendments introduced are driven chiefly by the need to update certain remuneration amounts so that they remain reasonably proportionate to the significance of the Company, the results achieved and the value created for shareholders, reflect the evolution of the responsibilities and level of dedication associated with the relevant positions, and remain aligned with the market standards of comparable companies.

The RC has also considered that the remuneration amounts payable to directors in their status as such have remained unchanged since 2011. Likewise, the current remuneration package for the positions of non-executive Chair and Chief Executive Officer ("**CEO**") has not been updated since the 2022 AGM. This evolution has been assessed in light of the development of the workforce's average remuneration.

In addition, this new Policy introduces certain technical and editorial improvements aimed at enhancing the clarity, consistency and practical applicability of some of its provisions. In particular, certain amendments are intended to align the Policy with the remuneration practices effectively applied within the Group and to strengthen its alignment with best practices in corporate governance and sustainability. Accordingly, among other matters, the retention period applicable to shares released under long-term variable remuneration schemes is updated from a minimum of one year to two years, and the weighting of the financial metrics used in the annual variable remuneration is adjusted to reflect the level effectively applied in the CEO's remuneration structure (i.e. 70%).

II. FACTORS CONSIDERED IN DEFINING THE POLICY

In preparing the new Remuneration Policy, the RC has carried out a comprehensive analysis from three different perspectives:

1. Internal perspective

The RC has considered the following aspects:

a) **The excellent results and operational performance between the end of financial year 2021* and 2025, a period defined by a complex macroeconomic environment marked by significant financial volatility, uncertainty and cost inflation.**

* The Committee used financial year 2021 as the starting point for the period under review, as it corresponds to the financial year immediately preceding the development and implementation of the Group's current executive management and leadership model (initiated following the appointment of Mr Óscar García Maceiras as CEO through a co-option procedure on 29 November 2021 and subsequently ratified at the AGM held on 12 July 2022).

Profitable growth and operational efficiency

- Net sales increased by 43.8% over four years, to €39.864 billion at the end of FY2025, alongside a substantial improvement in productivity per square metre and a 42.1% increase in online sales, thus consolidating the integration of physical and online channels.
- The Group has reached presence in 214 markets and exceeded 8 billion visits to its digital platforms in 2025.
- Gross margin percentage improved by 120 basis points to 58.3%, reflecting disciplined sourcing management and the quality of the collections.
- EBITDA and net income grew at rates above sales growth (56.9% and 91.8%, respectively), demonstrating positive operating leverage and rigorous cost control.

Financial strength

- Net cash position remained above €10.900 billion.
- Cash generation increased consistently, enabling the Group to finance a record CAPEX programme amounting to €7.08 billion and maintain an attractive and predictable dividend policy.

Shareholder remuneration

- Inditex's Total Shareholder Return (TSR) reached 165% over the 2021–2025 period (CAGR of 27.6%), significantly above the average of the 14 retailers against which Inditex benchmarks TSR performance for its long-term incentive plans (LTIPs)

- Dividend per share increased by 88.2%, rising from €0.93 to €1.75. The ordinary payout ratio remained at 60% of profit, supplemented by extraordinary distribution.

The significant evolution of Total Shareholder Return and Inditex's share price in recent years reflects the market's confidence in the Group's strategy, execution capabilities and leadership, as well as in the strength and sustainability of its business mode.

Sustainability and social commitment

Inditex has continued to advance across its various sustainability pillars and is well positioned to meet its public commitments by 2030.

The Committee considered particularly relevant the effective delivery of the Group's strategic sustainability priorities during the term of the current policy, as well as the integration of sustainability objectives into variable remuneration systems and the progressive alignment of the Policy with evolving regulatory, market and stakeholder expectations in this area.

Reputation and brand value

In 2026, Zara has consolidated its position as the world's most valuable fashion brand according to the Kantar BrandZ Top 100 Most Valuable Global Brands report.

The RC considers that this outstanding evolution in results, operational performance and shareholder value creation evidences the consolidation of the current management model and the successful implementation of the Group's strategic priorities during the term of the current policy.

b) Evolution of the CEO's remuneration.

- The findings of the annual evaluations of the performance of the CEO carried out by the Board of Directors reflect a highly positive evolution and his consolidation in the role.

- The RC also considers it particularly relevant that the excellent financial, operational and shareholder value creation results achieved by the Group, as indicated above, have been delivered under the executive leadership of the current CEO, within an especially demanding macroeconomic and competitive environment.

- The fixed remuneration for the performance of executive functions and the amounts of the annual and multi-year variable remuneration have remained unchanged since the 2022 AGM.

/ Over the past three years, during which the current remuneration policy has been in effect, the **average** remuneration of Inditex workforce has increased by **21%** (6.6% annualised), representing 7.4 p.p. above **inflation** for the 2022-2025 period (**15.3%**).

c) Evolution of the remuneration of directors in their status as such and of the non-executive Chair of the Board

/ The remuneration items and **amounts** payable to directors in their status as such have remained **unchanged since 2011** as has, specifically, the remuneration of the non-executive **Chair** of the Board, since its creation in **2022**.

/ The **level of responsibility and dedication** required from Board members has **significantly increased since 2011:**

- The number of Board and Committee meetings has increased significantly. By way of an example, the Board met 5 times in 2011 compared to nine meetings held in 2025.
- The number of Board Committees has also increased: in 2015, the Nomination and Remuneration Committee was split into two separate committees, and in 2019 the Sustainability Committee was formed.

/ Between 2011 and 2025 the **average remuneration of** Inditex **workforce** increased by **5.1%** (in annualised terms), while inflation over the same period stood at 30.8% (1.9% annualised).

2. Expectations and recommendations of institutional investors

While reviewing the Policy, the RC has considered general corporate governance recommendations, both at national and international level, as well as commonly accepted guidelines and best practices regarding the structure, scope and control mechanisms applicable to directors' remuneration systems.

The Committee has further considered the expectations and feedback of institutional investors and proxy advisors expressed through Inditex's ongoing shareholder engagement programme maintained by the Company in connection with its General Meetings of Shareholders.

The Committee has assessed the observations made by these stakeholders and has taken them into account in designing the new features introduced in the Policy, with the aim of reinforcing the consistency of the remuneration system with the Company's strategy and addressing, in a balanced manner, the expectations of its wider stakeholders.

3. External competitiveness

As part of the review process of the Remuneration Policy, the RC was advised by WTW, an independent consultant specialised in the remuneration of directors and senior executives.

The RC did not rely on benchmarking analyses as the sole basis for determining a specific remuneration positioning. Rather, such analyses were used as an additional point of reference in assessing the appropriateness and external competitiveness of the Policy.

With this support, the Committee carried out the following benchmarking exercises:

a) CEO

The following benchmark groups were used:

/ STOXX Europe 50, the European stock market index comprising the 50 largest, most liquid and highest-capitalised listed companies in Europe.

From an overall perspective, Inditex's size (sales, market capitalisation, employees and assets) is positioned between the median and the 75th percentile of the STOXX Europe 50 companies. **The current target total remuneration** of Inditex's CEO is **below the median** remuneration of chief executives within the STOXX Europe 50 companies.

/ Consideration has also been given to the total remuneration of chief executives at large IBEX 35 companies, such as Banco Santander, BBVA, Iberdrola and Telefónica, which may be regarded as comparable by reference to the stock market index on which Inditex shares are listed, taking into account factors such as size (market capitalisation, employees, assets, geographical diversification and global scale).

The benchmarking processes carried out against these two benchmark groups allowed the RC to assess the relative positioning of the CEO's target total remuneration, as well as the structure of its remuneration mix, against the practices observed at comparable companies. These benchmarking also served as the basis for assessing the appropriateness and competitiveness of the proposed remuneration package.

Accordingly, the RC has relied solely on the practices observed among companies constituents of the STOXX Europe 50 index and the principal comparable companies within the IBEX 35 as the relevant benchmark, for the purposes of issuing the proposed update to the CEO's remuneration package described in the following section, as it considers that these companies appropriately reflect, among other factors, the regulatory, corporate, remuneration and corporate governance environment applicable to Inditex.

However, as an additional reference point, and solely for the purpose of contextualising Inditex's relative positioning as a global company in terms of scale, international presence and operational complexity, consideration has been given to a supplementary group of 17 US companies with a similar business profile and size (market capitalisation, turnover and number of employees) to Inditex (Altria Group, AutoZone, Coca-Cola, Colgate-Palmolive Company, Estée Lauder, Keurig Dr Pepper, Kraft Heinz, Lowe's, McDonald's, Mondelez, NIKE, O'Reilly Automotive, PepsiCo, Philip Morris, Ross Stores, Starbucks and TJX Companies).

The benchmarking against US companies highlights that, although Inditex ranks at the 75th percentile in terms of size within that group, the CEO's **current target total remuneratio**n remains **below the 10th percentile** of chief executive remuneration across the companies comprising such group. This positioning will remain unchanged under the proposed remuneration package.

b) Chair of the Board and directors in their status as such.

An analysis was carried out of the remuneration applicable to the position of non-executive Chair of the Board and to directors in their status as such across companies that are constituents of the main stock market indices of relevant European countries (IBEX 35 in Spain, CAC 40 in France, FTSE MIB in Italy, DAX 40 in Germany, SMI 20 in Switzerland and FTSE 100 in the United Kingdom).

From an overall perspective, Inditex's size (sales, market capitalisation, employees and assets) is positioned around the 90th percentile of the IBEX35.

/ **Aggregate total remuneration paid to directors across all remuneration items and all Board members,** except the Chair of the Board of Directors, is positioned **between the median and the 75th percentile**.

  In particular, the **fixed remuneration item for Board membership** (€100,000), considering that no attendance fees are paid, **is below the 25th percentile**. Similar conclusions are reached when compared with remuneration levels observed across Europe.

/ Regarding the remuneration of the non-executive Chair of the Board of Directors, it falls within the ranges observed in Europe for companies comparable in size to Inditex.

III. NEW DEVELOPMENTS

1. CEO's remuneration

The RC has deemed it a priority (i) to maintain consistency between the remuneration arrangements applicable to the CEO and those applicable to Senior Management; (ii) to strengthen the alignment between the CEO's remuneration and shareholders' return and interests; and, (iii) to maintain the external competitiveness of the remuneration package.

The proposed amendments are set out below:

/ Fixed items of the remuneration for the performance of executive functions

A proposal is made to increase the fixed remuneration from €2.5 million to €2.95 million, representing an annualised 3.7% increase since the 2022 AGM, at which the current fixed remuneration (€2.5 million) was established.

This amount is expected to remain unchanged throughout the entire term of the Remuneration Policy, i.e. until and including financial year 2029. The annualised increase between 2022 and 2029 would therefore amount to 2.2%

This level of **increase remains below both the evolution of the average remuneration** of Inditex's workforce over the same period and **the evolution of the fixed remuneration of chief executives** within the STOXX Europe 50 (median), which increased by 24.2% (median) between 2021 and 2025.

Following this increase, the positioning of the fixed remuneration of Inditex's CEO for the performance of executive functions remains around the 75th percentile of the fixed remuneration items applicable to chief executives within the STOXX Europe 50.

It should also be noted that unlike chief executives within the STOXX Europe 50, Inditex's CEO does not participate in pension or other post-employment benefit arrangements.

In addition, the RC also considered that, unlike in other comparable companies, the Group has a single executive director, with the highest executive and operational leadership responsibilities of the Group concentrated in that role.

Further to the fixed remuneration's increase, the absolute amount of the annual variable remuneration also increases, it being determined as a percentage of fixed remuneration, while **long-term variable remuneration remains unchanged**.

However, this increase in annual variable remuneration will only materialise if the targets established in the business plan and budget are achieved, thereby preserving the "pay-for-performance" philosophy.

/ Variable remuneration items

It is proposed:

/ To increase the target annual variable remuneration from 120% to 150% of fixed remuneration.

/ To have 30% of the annual variable remuneration earned delivered in shares, which will be subject to a share retention requirement for two (2) years following delivery.

Accordingly, the overall period including the accrual year and the subsequent period until the shares are no longer subject to the retention requirement would amount to three (3) years, thereby reinforcing alignment with shareholders' return.

The CEO currently holds, within his personal assets, a number of shares equivalent to more than three times his fixed remuneration for 2026 (more than 2.7 times the proposed fixed remuneration for 2027).

The Committee considers that this new development strengthens the alignment between the CEO's remuneration and shareholders' interests by increasing exposure to the performance of the Company's share price and reinforcing the long-term orientation of the Policy.

The maximum level of annual variable remuneration, set at 125% of target, remains unchanged from the previous Policy.

Both annual and long-term variable remuneration remain subject to malus and clawback provisions.

/ Total remuneration for executive functions

The combined effect of the above updates results in an increase in target total remuneration for the performance of executive functions from €7.3 million to €9.175 million, equivalent to an annualised increase of 5.2% since the 2022 AGM. In addition, the weighting of the overall variable remuneration items increases compared with the current structure would represent under a target performance scenario approximately 70% of total remuneration.

This means that, following the proposed increase, the CEO's target total remuneration would be positioned between the median and the 75th percentile of the STOXX Europe 50 index and, moreover, that the level of increase would remain below the growth in the average remuneration of the workforce. Overall, this results in a prudent and competitive positioning, with annualised increases remaining appropriately moderate

The RC considers that the resulting structure maintains an appropriate balance between fixed and variable remuneration items and further strengthens the orientation of the remuneration system towards the pay-for-performance principle, reinforcing the link between remuneration, performance and sustainable long-term value creation

The full set of changes by remuneration item and target total remuneration for the performance of executive functions is detailed below:

	TARGET TOTAL REMUNERATION				
(thousand euros)	2026	2027. PROPOSAL	▲ 27 vs. 22	▲ annualised since 22 AGM (4.5 years)	▲ annualised 22AGM-2029 (7.5 years)

Fixed remuneration (FR)	€	2,500	2,950	+18%	+3.7%	+2.2%
Long-term savings: annual contribution	%FR	--	--			
	€	--	--			
Total Fixed Elements		2,500	2,950	+18%	+3.7%	+2.2%
Annual Variable Remuneration (AVR)	%FR	120%	150%			
	€	3,000	4,425	+47.5%	+9.0%	+5.3%
LTIP by cycle	%FR	72%	61%			
	€	1,800	1,800			
Total Variable Items		4,800	6,225	+29.7%	+5.9%	+3.5%
Target Total Remuneration	€	7,300	9,175	+25.7%	+5.2%	+3.1%
Fixed I Variable items mix		34 | 66	32 | 68			

2. Chair of the Board and directors in their status as such

A proposal is made to increase the fixed remuneration amounts associated with the following positions and responsibilities:

/ Chair of the Board: from €900,000 to €1,050,000. This represents an annualised +3.5% increase since the 2022 AGM

The RC considers that the update of the remuneration of the non-executive Chair of the Board appropriately reflects the institutional, strategic and representative significance associated with the performance of such role within a Group of Inditex's scale, international presence and operational complexity.

Since 2022, under the leadership of the Chair of the Board, the Group has strengthened its international positioning and the global profile of its brands, while also consolidating the quality and external recognition of its corporate governance practices and reinforcing the Company's institutional representation at the highest level.

Evidence of this is that, as noted above, Zara consolidated its position in 2026 as the world's most valuable fashion brand according to the Kantar BrandZ Top 100 Most Valuable Global Brands report.

/ Remuneration for Board membership: from €100,000 to €150,000. This represents a +2.6% annualised increase since 2011 when the current payable amount was established.

The Committee considers that the evolution of the activity and proceedings of the Board of Directors in recent years reflects a significant increase in the level of dedication and responsibility required from its members, both as a result

of the increased number of meetings and matters subject to oversight and the growing regulatory, strategic and sustainability-related complexity associated with the Group's activities.

In any event, the remuneration system applicable to directors in their status as such continues to appropriately reinforce their independence of judgement, as it does not include variable items linked to the Company's performance or attendance fees.

/ Remuneration for membership of the Audit and Compliance Committee: from €50,000 to €75,000. This represents an annualised +2.6% increase since 2011, when the current payable amount was established.

Consistent with the rationale set out above, this update is considered to more appropriately reflect the level of dedication, responsibility and specialisation currently required of the Audit and Compliance Committee, whose functions have become increasingly significant within an increasingly complex and demanding regulatory, technological and supervisory environment.

In particular, the Audit and Compliance Committee plays an essential role in overseeing the Group's internal control and risk management systems, including financial and non-financial risks, as well as matters relating to sustainability, regulatory compliance, corporate reporting and audit.

Considering the above updates, it may be concluded that, following its implementation: (i) the remuneration of the Chair of the Board does not alter its current market positioning; and (ii) the aggregate total remuneration payable to directors, excluding the Chair of the Board, across all remuneration items and all Board members, would be positioned around the 75th percentile of the IBEX 35 (currently positioned between the median and the 75th percentile).

In addition, under the new Policy, the following is proposed:

/ To eliminate the remuneration established for the position of Deputy-Chair, currently set at €80,000.

/ To establish remuneration for the role of Lead Independent Director (LID), to date an unpaid position, in the amount of €25,000. This amount is below the median remuneration observed within the IBEX 35 for the performance of this role.

The RC considers that establishing specific remuneration for the position of LID is consistent with the increasing relevance attributed by corporate governance best practices to this role as a mechanism for reinforcing the independence and effectiveness of the Board of Directors.

The Committee has given particular consideration to the Company's intention to continue strengthening the institutional role and the coordination, liaison and oversight functions associated with this position, including within a corporate governance model in which there is a controlling shareholder and where, additionally, the roles of Chair of the Board and CEO are separate.

The remaining remuneration items and components would remain unchanged.

The above updates also make it necessary to adjust the maximum annual aggregate remuneration payable to all directors in their status as such, for all items combined, from €3.38 million to €4.3 million. This amount has been determined considering the current composition of the Board of Directors and its Committees, the evolution of their responsibilities and level of dedication, while preserving a reasonable degree of flexibility to accommodate potential changes in composition during the term of the Policy. This maximum amount is aligned with the 75th percentile of the IBEX 35.

The full set of changes by remuneration item is detailed below:

Element	2026	2027. Proposal
Remuneration for board membership	100	**150**
Additional remuneration for service as Chair of the Board	900	**1,050**
Additional remuneration for service as Deputy-Chair of the Board	80	--
Additional remuneration for membership of the Audit and Compliance Committee	50	**75**
Additional remuneration for membership of the Nomination Committee, the Remuneration Committee or the Sustainability Committee	50	50
Additional remuneration for service as Chair of any Board Committee	50	50
Additional remuneration for service as Lead Independent Director (LID)	--	**25**

IV. TAKEAWAYS AND EFFECT OF THE NEW DIRECTORS' REMUNERATION POLICY

The principles, rationale, structure and remuneration items of the proposed Remuneration Policy comply with the provisions of LSC, the Company's Articles of Association and are aligned with commonly accepted practices relating to directors' remuneration systems. In preparing the Remuneration Policy and this Report, the RC has:

/ Confirmed that the proposal submitted to the Board complies, in general terms, with the provisions applicable to companies pursuant to Section 217(4) LSC, which provides that:

"*Directors' remuneration must in all cases bear a reasonable proportion to the importance of the company, its economic situation at any given time and the market standards of comparable companies. The remuneration system established must be aimed at promoting the long-term profitability and sustainability of the company and must incorporate the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavourable results".*

/ Verified its consistency with the conditions applicable to the rest of the workforce, in particular, to Senior Management.

/ Assessed the appropriateness of, and alignment between, the remuneration arrangements and market practice, relying for this purpose on remuneration benchmarks prepared by external advisors.

/ Considered the views of institutional investors and proxy advisors.

/ Reviewed regulatory developments and the evolution of the regulatory and supervisory framework applicable to remuneration matters.

In light of the foregoing, the RC has concluded that the proposed Remuneration Policy is balanced, proportionate and aligned with the Company's strategy, interests and long-term sustainability. It also considers that the Policy is consistent with

the Group's current environment and its evolution in recent years, maintaining an appropriate proportion to the Group's relevance, size, complexity and circumstances, while preserving a competitive remuneration approach aligned with the market practices of comparable companies and consistent with the expectations of the wider stakeholders.

Likewise, the RC considers that the structure and configuration of the different remuneration items incorporate appropriate risk control and risk management mechanisms and that the proposed updated incentives, when assessed as a whole, are compatible with the prudent and sustainable management of the Group and with the Company's risk profile.

Furthermore, the Policy is consistent with applicable regulations, recommendations and good governance and transparency standards.

Accordingly, the Committee has resolved to submit to the Board of Directors this report regarding the new Remuneration Policy for Inditex directors for financial years 2027, 2028 and 2029, which, if ultimately approved by shareholders at the AGM, will enter into force on 1st February 2027 and remain effective until 31st January 2030 (without prejudice to the continued application of outstanding incentives granted under previous remuneration policies, which shall be settled in accordance with their respective terms).

The new text of the Remuneration Policy, together with this report, will be made available to shareholders on the Company's corporate website together with the notice calling the Annual General Meeting.

In Arteixo (A Coruña), on 1st June 2023.

Directors' Remuneration Policy

for FY2027, FY2028 and FY2029

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1. Key developments of the Remuneration Policy

The Board of Directors of Industria de Diseño Textil, S.A. ("Inditex" or the "Company") resolved at the meeting held on 2 June 2026, on the proposal of the Remuneration Committee ("RC" or the "Committee"), to submit this policy on the remuneration of the members of the Board of Directors for financial years 2027, 2028 and 2029 (the "Remuneration Policy" or the "Policy") to shareholders for approval at the 2026 Annual General Meeting ("AGM"), as a separate agenda item, pursuant to the provisions of Section 529*novodecies* of the revised text of the Companies Act approved by *Real Decreto Legislativo* 1/2010 of 2 July (the "Companies Act" or "LSC" (*Spanish acronym*)).

To determine this Policy, the RC has undertaken a comprehensive review process considering several factors as outlined below:

Internal Factors	External Factors
Alignment with Inditex's strategic priorities in the short and long-term, as well as with long-term value creation and sustainability	Feedback received from Inditex's major shareholders as part of Inditex's regular shareholder engagement process, the voting results relating to the approval of the current directors' remuneration policy approved at the 2023 AGM (with 98.3728% of votes for), and the relevant annual reports on remuneration of directors issued in connection with such policy, together with recommendations on corporate governance from regulatory bodies, institutional investors and proxy advisors.
The results achieved by the Inditex Group	The remuneration's external competitiveness
Policy's alignment with the remuneration conditions applicable to the executive management team and the workforce as a whole	

The Remuneration Policy is informed by the same principles as those of the remuneration policy currently in force for financial years 2024, 2025 and 2026, approved at the AGM held on 11 July 2023 ("2023 AGM") while incorporating updates to the following amounts:

- Certain elements of the total remuneration of the Chief Executive Officer ("CEO") (for the performance of executive functions), including the review of fixed remuneration and annual

variable remuneration, as well as the payment of part of the latter through the release of Company shares.

/ The remuneration for membership of the Board of Directors and the Audit and Compliance Committee, as well as the remuneration attached to the position of non-executive Chair of the Board of Directors. The remuneration associated with the position of Deputy-Chair of the Board of Directors is removed, and a specific remuneration linked to the role of Lead Independent Director ("LID"), not provided in the current policy, is introduced.

As a result of the above, the maximum remuneration payable to directors in their status as such has been updated.

The new Policy retains the key principles, criteria and overall structure of the remuneration policy currently in force. The amendments introduced are driven chiefly by the need to update certain remuneration amounts so that they remain reasonably proportionate to the significance of the Company, the results achieved and shareholders' value creation, reflect the evolution of the responsibilities and level of dedication associated with the various positions, and remain aligned with the market standards of comparable companies.

In particular, the update to the CEO's remuneration package takes into account, among other factors, the positive evolution and consolidation of his performance in the role, the excellent performance of the Group in recent years, the alignment with the remuneration conditions applicable to Senior Management and the workforce as a whole, as well as the practices observed at comparable companies both nationally and internationally.

Likewise, the introduction of the partial delivery of annual variable remuneration in shares strengthens the alignment between the CEO's remuneration and shareholders' return, promoting sustainable long-term value creation and continued commitment to the interests of the Company and its stakeholders.

Furthermore, the update to the remuneration for directors in their status as such responds, among other factors, to the evolution of the functions, responsibilities and level of dedication required from the Board of Directors and its Committees in recent years, as well as to the need to maintain appropriate alignment with market practices observed at comparable companies.

A more detailed explanation of these matters can be found in the explanatory report prepared by the RC, to which this Policy is attached

The proposed draft Remuneration Policy, the substantiated proposal put forward by the Board of Directors and the explanatory report in support thereof issued by the Committee, have been made available on the Company's corporate website together with the notice calling the 2026 AGM. Such documentation will remain available on the corporate website following the approval of the policy,

together with the date of approval, and the voting results for at least the duration of the Remuneration Policy.

Remunerations and all the amounts referred to under this Remuneration Policy shall be understood as gross amounts. Any applicable taxes and similar charges thereon shall be borne by each director.

2. Purpose and principles

This Remuneration Policy issued pursuant to the provisions of the Articles of Association, the Board of Directors' Regulations and the Remuneration Committee's Regulations, seeks to set out the principles and criteria applicable to directors' remuneration, which are intended to guide the Board of Directors and the RC in the exercise of their responsibilities in this area.

This Remuneration Policy seeks to compensate directors appropriately in light of the qualifications required, the responsibilities assumed and the dedication in their mandates, while ensuring that such remuneration remains appropriate in accordance with market practice, and sufficient to attract and retain directors that best meet the company's requirements, but not so high as to compromise the independence of judgement of non-executive directors.

The overarching principles underlying the Directors' Remuneration Policy as regards remuneration of executive directors for the performance of executive functions are set out below:

Executive directors

Linkage to Group's strategy and "Pay for Performance"	A significant portion of the remuneration is linked to the achievement of the results which reflect the Group's strategic priorities.
Alignment with stakeholders, sustainability and environmental commitment	The Remuneration Policy is regularly reviewed to ensure that achievement of results is linked to sustainable value creation for shareholders. Progress in sustainability and environmental commitments are relevant levers of Inditex's compensation scheme. In addition, the interests of the workforce as a whole and of wider stakeholders are considered upon determining remuneration of executive directors.

Long-term	The Remuneration Policy is aligned with the values and long-term objectives of the Company.
Competitiveness	Remuneration must be such as to attract and retain the most talented and suitable professionals to achieve Inditex's strategic objectives, through the establishment of competitive compensation packages, under the premises that such compensation is neither excessive nor insufficient, to prevent assuming any inappropriate risks and considering market references of comparable companies. The Policy seeks to enhance the alignment of the remuneration paid to the CEO with the delivery of sustainable long-term shareholder value, while fostering long-term engagement and commitment to the interests of the Company and its stakeholders.
Strict procedures and informed decisions	The specific targets to which variable remuneration is tied shall be determined by the Board of Directors at the beginning of each year, within the framework of the metrics, yardsticks, limits, standards and other provisions set out in the Remuneration Policy, and subsequently assessed by the RC at the end of the year. This assessment is carried out based upon the information and results provided by different departments of the Group and reviewed in advance by the Audit and Compliance Committee or the Sustainability Committee, where applicable. Likewise, Inditex's management by objectives systems, and among them, the short-term and long-term variable remuneration systems, are reviewed on an annual basis.

In turn, the overarching principles underlying the Remuneration Policy for directors in their status as such are:

Directors in their status as such

Moderation	Remuneration is adequate to the description of the Company and its business model, always on the basis that such remuneration is neither excessive nor insufficient, to prevent taking any inappropriate risks.

Appropriateness	The Remuneration Policy for directors in their status as such is aligned with the composition of the Board of Directors and its Committees, and it sufficiently compensates them for their qualification, dedication and responsibility, ensuring their loyalty and commitment to the Company, without compromising the independence of its members.
Transparency	Disclosure relating to remuneration matters is aligned with best corporate governance practices for the purposes of building trust among shareholders, investors and generally, the Company's wider stakeholders.
Commitment to investors and shareholders	The RC acts in a proactive manner to understand shareholders and investors' preferences and to explain remuneration policies and practices in a transparent manner.

The Remuneration Policy is based on solid governance processes that reinforce the above-described principles, and which are reflected in the following practices:

Executive directors

WHAT WE DO	WHAT WE DON'T DO
/ "Pay for Performance" based remuneration. / Remuneration is aligned with the interests of shareholders and stakeholders, with part of the variable remuneration linked to sustainability targets. / Deliver part of annual variable remuneration in Company shares / Set caps on variable remuneration / Set a long-term variable remuneration: o Minimum performance measurement period of three (3) years. o Mainly share-based. o Tied to metrics aligned with Inditex's long-term strategic objectives,	/ There are no contracts with guaranteed wage increase. / No variable remuneration that is not performance-related or that is guaranteed. / No discretionary remuneration awards / Hedging of Company shares is not allowed during the applicable retention period.

WHAT WE DO	WHAT WE DON'T DO
including sustainability targets. Such objectives are aligned with the sustainable strategy of the Group that considers all stakeholders and allow boosting strategy implementation. / Set malus & clawback provisions applicable to all variable remuneration. / Require retention of shares released under variable remuneration schemes for a minimum period of two (2) years / Commitment to maintaining while in office a number of shares equivalent to at least two (2) years of fixed remuneration. / Set severance pay in case of termination, including compensation for non-competition, equivalent to the annual remuneration for 2 years (fixed + variable). / Conduct regular engagement processes with shareholders and institutional investors. / Carry out periodic benchmarking processes. / Regularly seek support from independent external advisors.	

Non-executive directors

WHAT WE DO	WHAT WE DON'T DO
/ Pay is linked to actual dedication, responsibilities assumed and performance of their duties as directors.	/ Their compensation package is not linked to the Pay for Performance principle or to their personal performance.

WHAT WE DO	WHAT WE DON'T DO
/ Carry out periodic benchmarking processes.	/ No attendance fees are paid. / No delivery of shares as a form of remuneration. / No severance pay upon termination in the Company. / They are not beneficiaries of any social welfare schemes or any other welfare benefits.

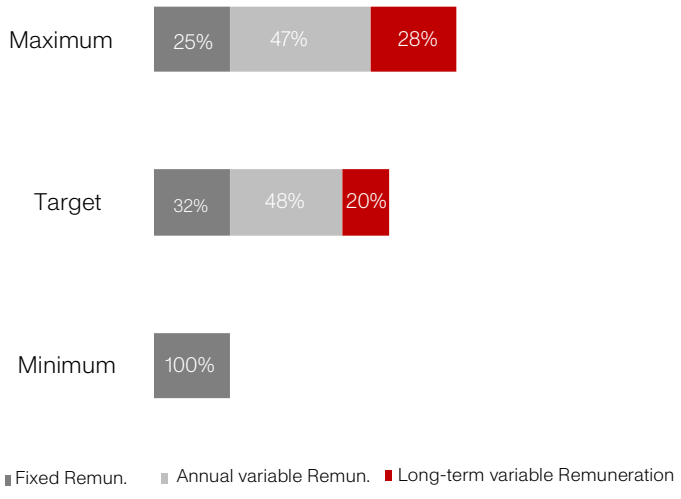
3. Remuneration Policy for Executive Directors

3.1. Remuneration mix

The total remuneration of the CEO, only director who performs executive functions as at the date of this Policy, is made up of a fixed element, a short-term or annual variable element, which shall be paid part in cash and part through the release of shares, and a long-term or multi-year variable element, in cash and/or in shares.

The range of the CEO's potential annualised remuneration is shown below, taking into account the different target achievement scenarios under this Remuneration Policy. Potential performance by the CEO and the assumptions on which it is based are shown below:

Fixed remuneration (FR)1	All scenarios	• €2,950,000
Annual variable remuneration	Minimum	• No incentive would be paid
	Target	• 150% FR
	Maximum	• 125% of target amount
Long-term variable	Minimum	• No incentive would be paid



remuneration (by cycle)[2]	Target	• €1,800,000
	Maximum	• 185% of target amount

1. Remuneration in kind schemes have not been included as their total amount is not significant regarding total remuneration. Executive directors can be paid the relevant remuneration for their membership and dedication to the Board of Directors.

2. The maximum level set for each cycle of the in-flight 2025-2029 LTIP has been included, excluding any potential share price variation. In addition, the existence of any future plan may result in upwards and downwards variations of such percentages.

The remuneration mix in the different remuneration scenarios based upon achievement of targets ensures that the fixed remuneration represents a significant part of total remuneration, for the purposes of preventing taking any unnecessary risks.

Variable remuneration items to compensate the executive director, tied to the achievement of the Group's targets, are flexible enough to allow their shaping, including the possibility of not paying any variable remuneration under certain circumstances. In such case, fixed remuneration would represent 100% of total remuneration. Under no circumstances is variable remuneration guaranteed.

In a scenario of maximum target achievement, the weight of variable or at-risk remuneration relative to total remuneration (understood for such purposes as fixed remuneration, annual variable remuneration and annualised long-term incentive) would be 75%.

The RC has considered the level of total remuneration to be paid to the CEO in the different target achievement scenarios and has deemed such remuneration to be appropriate in the current environment of performance and responsibility demanded from the executive director and considering the strategic targets set by the Group in the short and long-term. Consequently, such remuneration is aligned with shareholders' interests.

3.2. Remuneration items

Without prejudice to the remuneration that the CEO is entitled to in their status as director pursuant to the provisions of Section 3 below, the remuneration they may receive for the performance of executive functions comprises several items which make up the following remuneration package:

3.2.1. Fixed remuneration

Purpose

To attract and retain the executive director who befits the profile required to achieve strategic goals and reward the performance of senior management functions consistently with the responsibility, leadership and personal contribution within the

organisation.

Amount

€2,950,000 to be paid in 14 instalments.

This fixed remuneration must represent a sufficient part of the total remuneration for the sake of achieving an appropriate balance between the fixed and variable items of the remuneration.

Operation

The CEO's fixed remuneration is not expected to change while this Policy is in effect.

3.2.2. Remuneration in kind

Purpose

To complete the compensation package and offer a competitive total remuneration, in line with market practices.

Operation

The CEO may receive remuneration in kind in line with the general policy which applies to the Company's officers. Remuneration in kind can consist, without limitation, in life insurance including risk and/or savings benefits, medical coverage or the like, as well as the use of a Company car.

3.2.3. Annual variable remuneration

Purpose

To boost their performance and reward the achievement of certain Group's annual objectives, both financial, and non-financial, as well as individual objectives specific to the position, consistent with the strategy and aligned with shareholders' interests.

Amount

- Target: in case of achievement on target of the objectives set; it can reach up to 150% of the annual fixed remuneration.
- Maximum: in case of overachievement of the objectives set. It can reach up to 125% of the target amount.

The actual level of achievement reached shall be reported every year in the relevant Annual Report on Remuneration of Directors.

Metrics

Annual variable remuneration is tied to the achievement of a combination of quantitative and qualitative, specific, predetermined and measurable targets, aligned with the Company's interest and consistent with its medium and long-term strategy.

These objectives may include metrics which ensure an appropriate balance between financial and operational aspects of the Company's management (e.g., sales, contribution margin, EBITDA or return-based metrics) which will generally account for approximately 70% of the overall incentive opportunity. They may also include non-financial metrics representing 30% of the overall incentive opportunity (e.g., strategic development of the Company, progress in corporate social and environmental sustainability policies, progress in corporate governance and the implementation of diversity and compliance programmes, individual performance, corporate reputation management, etc.,).

Operation

The Board of Directors shall, on the proposal of the RC, approve the specific targets at the beginning of each financial year, pursuant to the provisions of this Policy, and assess the achievement thereof at the end of the year. This assessment is carried out based upon the information and the results provided by the Financial Department, the General Counsel's Office and the Sustainability Department, all of which is reviewed in advance by the Audit and Compliance Committee or the Sustainability Committee, as the case may be. It is incumbent on the Board of Directors to assess the annual performance of the CEO, following a report from the Nomination Committee.

Further to such assessment, the RC draws up a proposal for annual variable remuneration which is submitted to the Board of Directors for approval. To draft such proposal, the RC also considers the quality and sustainability of the results achieved in the long-term, as well as any associated risks.

For the purposes of ensuring that the annual variable remuneration is effectively linked to the Company's actual performance and to the professional performance of the CEO, the Board of Directors may, on an exceptional basis and with due justification, adjust the level of achievement of targets in order to eliminate any positive or negative economic effects arising from extraordinary events that could distort the assessment outcome.

Where reasonably possible, both financial and non-financial targets shall be subject to a performance scale. Such scale, established at the beginning of each year, includes a minimum threshold below which no incentive is payable, a target level corresponding to standard achievement of objectives, and a maximum achievement level beyond which

the value of the incentive does not increase. Performance scales are specific to each metric, as they are determined and calibrated according to the variability of each metric and the level of stretch associated with the target. Accordingly, the scales may have different slopes (i.e. the relationship between the level of achievement and the level of payout). In addition, for a given target, the scale may include different payout levels between minimum and target performance, and between target and maximum performance.

The actual level of achievement reached shall be reported every year in the relevant Annual Report on Remuneration of Directors.

70% of annual variable remuneration shall be paid in cash, while the remaining 30% shall be delivered entirely in Company shares (held as treasury shares) or in remuneration rights linked to the value thereof.

Pursuant to the above, the shares released shall be subject to the following conditions:

(i) The number of shares, if any, to be delivered during each financial year covered by this Policy shall be calculated by dividing 30% of the total amount of annual variable remuneration accrued by the volume-weighted average share price of Inditex shares during the trading days of the month of February immediately following the end of each year.

The maximum amount to be delivered to the CEO in shares shall be €1,659 million in a maximum achievement scenario.

(ii) Any shares delivered, net of the amount corresponding to withholding tax and other similar charges attributable to the CEO, shall be subject to a share retention requirement for two (2) years from the date of delivery, during which they may not be transferred, pledged or hedged.

This requirement is additional to the permanent shareholding requirement set out in Section 3.4 below.

The terms of the annual variable remuneration system for the CEO, including the structure, maximum levels of remuneration, objectives established and the weight of each of them, are reviewed every year by the RC, considering the Company's strategy, its needs and the business status, as well as the recommendations and best practices in the market in the field of remuneration. Such terms are submitted to the Board of Directors for approval.

3.2.4. Long-term variable remuneration

Purpose

To drive the achievement of the Group's strategic priorities in the long-term, the sustainability of business results over time and sustainable value creation for shareholders. In addition, to offer a competitive remuneration package that contributes to retain key profiles within the organisation.

Amount

Maximum for each cycle: up to 225% of annual fixed remuneration. Reached in the event of a certain level of achievement of predetermined targets.

Metrics

Long-term variable remuneration is tied to the achievement of a combination of quantitative and qualitative, specific, predetermined and measurable targets, aligned with the interest of the Company and consistent with its mid and long-term strategy.

These targets may include metrics which ensure an appropriate balance between financial and operational aspects of the Company's management (e.g., sales, EBITDA, PBT) and metrics of shareholders value creation (e.g., TSR). Such metrics shall account for at least 60% of the overall incentive opportunity. They may also include non-financial metrics (e.g., environmental, sustainability, diversity or good corporate governance indicators).

Some of such metrics may be relatively measured against a benchmark group of peer companies or competitors, selected based on objective criteria such as business activity, size, international presence or other relevant factors.

Operation

The relevant incentive may be paid in cash and/or include the release of shares, share options or remuneration rights linked to the value of shares, provided that the objectives set are achieved.

In particular, at least 60% of the incentive accrued under each cycle of the in-flight plans during the term of this Policy shall be settled in shares.

Any shares delivered under the plan, net of applicable taxes and other similar charges, if appropriate, shall be subject to a share retention requirement for at least two (2) years.

Performance measurement period will be at least three (3) years.

It is incumbent on the Board of Directors to approve, on the proposal of the RC, the

targets at the beginning of each cycle, as well as the performance scale determined for each metric, to calculate the payout percentage reached for each level of target achievement. The performance scale will include a minimum threshold below which no incentive is paid, and a level of overachievement, where maximum incentive is paid.

The Committee will follow-up on the targets on an annual basis and will, at the end of each cycle, assess the level of achievement thereof, based upon the information and results provided by the Financial Department, the General Counsel's Office, the Investor Relations Department and the Sustainability Department, reviewed by the external and internal auditors, all of which is reviewed in advance by the Audit and Compliance Committee or the Sustainability Committee, as the case may be.

Further to such assessment, the RC draws up a proposal for variable remuneration which is submitted to the Board of Directors for approval. To draft such proposal for variable remuneration, the Remuneration Committee also considers the quality of results in the long-term, as well as any associated risks.

Any positive or negative economic effects arising from any extraordinary events which might introduce distortions into the outcome of the assessment, may be removed upon determining the level of targets achievement.

The level of achievement reached shall be reported every year in the Annual Report on Remuneration of Directors.

3.2.5. Terms of previous policies that remain in effect

The CEO participates in the 2023-2027 LTIP and the 2025-2029 LTIP approved by the Board of Directors on the proposal of the RC and at the AGMs held on 11 July 2023 and 15 July 2025, respectively, pursuant to the provisions of Section 219 LSC and Article 31 of the Articles of Association.

These LTIPs were designed and approved considering the provisions of the remuneration policy currently in force and shall continue to be governed by their specific terms and conditions, as well as by the provisions of such policy until their full settlement.

In particular, the CEO is a participant of the second cycle (2024-2027) of the 2023-2027 LTIP and of the two cycles (2025-2028 and 2026-2029) of the 2025-2029 LTIP.

The main terms and conditions of such LTIPs are also set out in the Annual Reports on Remuneration of Directors for financial years 2024 and 2025, respectively, posted on CNMV's website and also available on the Company's corporate website.

3.3. Control on variable remuneration (malus & clawback)

The Policy incorporates malus and clawback mechanisms applicable to variable remuneration, with the aim of reinforcing the alignment between remuneration, the Company's sustainable performance and sound risk management.

The CEO's contract includes a clawback provision relating to recovery of variable remuneration items, which must be repaid where such amounts were paid on the basis of information clearly shown later to be inaccurate.

In this regard, should (i) any event or circumstance occur that would result in the negative restatement or adjustment, in final terms, of the financial statements, results, economic, performance or other data, upon which the accrual and payment to the CEO of any amount in terms of variable remuneration would have been based, and (ii) should such adjustment or variation determine that, if they had become known at the date of accrual or payment, the executive director would have received no amount or a lesser amount than the one initially paid, the Board of Directors may, on the proposal of the RC, request the recovery (whether or not the CEO remains linked to the Company at the time of the claim) the full or part of the amount received in excess. The CEO shall be bound to repay such amounts, irrespective of whether they bore any responsibility for the aforementioned negative adjustment or variation. This shall not apply where such negative adjustment or variation results from a change in accounting standards.

Furthermore, in relation to the in-flight cycles under the 2023-2027 LTIP and the 2025-2029 LTIP as well as any deferred and/or multi-year variable remuneration pending payment while the Remuneration Policy is in effect, the Company may:

(i) cancel, in whole or in part, the payment of amounts pending vesting or settlement (malus); or

(ii) request recovery, in whole or in part, of any amounts already paid (clawback)

where any of the following circumstances arise during the period prior to vesting or payment, or within the 2 years following settlement of the incentive in respect of the actions carried out during each relevant cycle, as applicable:

- Group losses (negative EBIT) during 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, where deemed necessary by the external auditors and when this is to the detriment of the Company, except where this is appropriate pursuant to a change in accounting standards;
- Serious breach of internal regulations by the executive director, as evidenced by the

Ethics Committee and/or the Market Transparency Committee.

3.4. Share retention

The CEO shall retain ownership while they remain in office of a number of shares with a value equivalent to at least two (2) years of fixed remuneration.

The valuation of the shares held shall be determined by reference to their market value at the relevant date from time to time.

Should the CEO, at any time during the term of the Remuneration Policy, cease to meet the minimum shareholding requirement referred to above, they shall be required to retain, for at least three (3) years, any net shares received under any variable remuneration arrangement.

Without prejudice to the foregoing, any shares released under the variable remuneration schemes described in this Policy must be retained for at least two (2) years from the date of delivery.

3.5. Contractual terms

The agreement entered into with executive directors must govern the performance of the duties and responsibilities inherent in the office, qualify as service agreements, and include the terms that are usually included in this type of agreement. Such agreement shall be approved by the Company's Board of Directors, on the proposal of the RC, by a majority of two thirds of the votes on the Board of Directors, and with the abstention of the executive director concerned.

The current agreement entered into with the CEO, which governs the performance of their duties and responsibilities, was approved by the Company's Board of Directors, on the proposal of the RC, as stated above.

Below is an overview of the main terms of the agreement entered into with the CEO:

Item	Description
Term	The agreement entered into with the CEO is for an indefinite period.
Notice period	Both in case of termination of the contract on account of certain grounds attributable to Inditex, or on account of voluntary resignation of the executive director, notice shall be given at least three (3) months in advance. Such notice may be replaced with an amount equivalent to the fixed remuneration of the non-observed term of notice.

Item	Description
Severance or golden parachute clause	The CEO shall be entitled to receive severance pay in a gross amount equal to the remuneration for 2 years, calculated on the basis of the aggregate of the fixed and annual variable remuneration determined for the current year, where the contract is terminated unilaterally by the Company, as well as in the event of resignation tendered by the CEO under certain premises (among which is a transfer of undertaking or a change of control in the Company that affects more than 50% of the share capital or of the voting rights, provided that a significant renewal of the governing bodies of the Company or a change in the nature and direction of the main business activity of the Company takes place at the same time) where such request for termination is made within six months of the occurrence of such transfer of undertaking or change of control. For such purposes, no transfer of undertaking or change of control shall be deemed to occur in the event of a direct or indirect family succession in the ownership of the Company.
Exclusivity/Non-competition provision after termination of a contract	For as long as they are contractually engaged with Inditex, the CEO shall perform senior management duties exclusively for the Company and the Inditex Group, and they shall refrain from working either directly or indirectly for any third parties, or for their own account, even though the activities they may carry out would not compete with the business activities of the Group. This provision does not apply to the service as non-executive director on the board of other companies which do not compete with Inditex, subject to the restrictions set out in the Board of Directors' Regulations. Pursuant to the terms and conditions of their contract, the relevant compensation for non-competition shall be deemed to be included in the severance pay for termination above referred. With regard to the post-termination non-competition provision and as regards all members of the Board of Directors, irrespective of their directorship type, Section 24.3 of the Board of Directors' Regulations provides that "*a director who ends their term of office or for any other reason should cease to serve as a director may not serve as a director in any other company whose corporate objects are similar to that of the company for a 2-year period*".

4. Remuneration Policy for Directors in their status as such

Pursuant to the Company's Articles of Association, directors' remuneration shall consist of an annual fixed remuneration for each director, the amount of which shall be determined at the Annual General Meeting for each year, or which will be valid for the number of years that the General Meeting would establish.

This system means that the General Meeting of Shareholders is considered the supreme and sovereign body of expression of the will of the Company, namely in the area of remuneration, and ensures the maximum transparency of such remuneration. This entails that, while the Remuneration Policy is in effect, any change to the remuneration of directors in their status as such shall be approved at the AGM.

Below is a breakdown of the items which make up the annual fixed remuneration that directors can be paid in their status as such, as well as the relevant amounts under this Directors' Remuneration Policy.

Item	Annual amount
Remuneration for board membership	€150,000
Additional remuneration for serving as Chair of the Board of Directors.	€1,050,000
Additional remuneration for membership of the Audit and Compliance Committee	€75,000
Additional remuneration for membership of the Nomination Committee, the Remuneration Committee or the Sustainability Committee	€50,000
Additional remuneration for chairing any Board Committee	€50,000
Additional remuneration for serving as LID	€25,000

All the above referred amounts are independent and fully compatible.

Within the limit approved at the AGM, the Board of Directors shall, following a proposal from the RC, determine the form and timing of payment of such amounts.

Except for the remuneration of the CEO for the performance of their executive functions, the

amounts shown above represent the only remuneration paid to directors of the Company for their membership of the Board of Directors of Inditex or of any Group company (as the case may be). No attendance fees are paid for attendance at board or committees' meetings, and no remuneration exists on the grounds of profit-sharing schemes or bonus, nor remuneration systems or pension plans which include variable remuneration, nor any severance pay for termination of their relationship with the Company, or any other grounds for the performance of executive functions. The foregoing shall be understood without prejudice to the refund to the directors of any reasonable traveling and accommodation fees incurred upon attending board meetings or the meetings of such Committees where they serve.

On the other hand, Inditex has taken out a D&O insurance policy.

5. Maximum annual remuneration of the Board of Directors

The maximum aggregate amount that the Company may pay its directors in each of the three years covered by this Policy (2027 to 2029) shall comprise the following items:

- The maximum amount of annual remuneration to be paid by the Company to all the directors in their status as such is capped at €4,300,000.

  In determining this limit, consideration has been given to the current number of members of the Board of Directors, the current composition of its committees and the remuneration applicable to the positions of non-executive Chair and LID.

  Furthermore, the maximum amount includes a reasonable degree of flexibility to accommodate potential changes to the composition of the Board of Directors and/or its committees during the term of this Policy.

  The maximum amount described in this section shall remain applicable throughout the term of this Remuneration Policy, unless amended by resolution passed at the AGM in the future.

- The remuneration payable to the CEO for the performance of executive functions, pursuant to the various remuneration items listed and described in Section 3.2 above.

- Where applicable, any amounts arising from the application of the severance provisions set out in Section 3.5 above

6. Remuneration Policy for new directors

The CEO's remuneration system described above shall apply to any new director that may be appointed to perform executive functions while this Policy is in effect. For such purposes, the RC

and the Board of Directors will specifically take into consideration the duties assigned, the responsibilities undertaken, their professional experience, market remuneration for such position and any other thing they may deem appropriate to consider in order to determine the applicable items and amounts of the remuneration system, as the case may be, for the new executive director, which will be duly stated in the relevant contract to be entered into by the Company with such new executive director.

As an exception, in order to facilitate the recruitment of a non-executive candidate, the RC may propose for decision by the Board of Directors, the granting of a special incentive intended to compensate for the loss of unvested incentives forfeited in connection with the termination of the candidate's previous position and the subsequent acceptance of Inditex's offer. In such case, the Committee shall seek to disclose the nature, timing and value of the incentives forfeited.

For internal promotions, the Committee may cancel and/or compensate any pre-existing incentives and other obligations that could be in force at the time of appointment.

Should new non-executive members join the Board of Directors while this Policy is in effect, the remuneration system described in Section 4 above shall apply to them. Where a non-executive director is appointed and assigned different functions and responsibilities, their remuneration will be measured and fixed based upon comparable profiles in companies of similar size and complexity.

7. Decision-making process relating to the definition, review and enforcement of the Remuneration Policy

7.1. Decision-making governing bodies with a say on the Policy

The procedures and governing bodies involved in determining and approving the Remuneration Policy and its terms are described below.

1. General Meeting of Shareholders

   Pursuant to Sections 217, 219, 529*septdecies*, 529*novodecies* and 541 LSC, the General Meeting of Shareholders shall be responsible for:

   - Approving the Directors' Remuneration Policy at least every three (3) years.
   - Determining the maximum amount of the annual remuneration to be paid to all directors in their status as such.
   - Approving any remuneration schemes involving the delivery of shares or share options, or remuneration linked to the value of shares, applicable to directors.

/ Approving, on an advisory say-on-pay, the Annual Report on Remuneration of Directors for each year.

2. Board of Directors

Pursuant to Sections 249, 249*bis*, 529*septdecies* and 529*octodecies* LSC, the Board of Directors has the following powers which are non-delegable:

/ Decisions relating to remuneration of directors within the scope of the Articles of Association and of the Remuneration Policy approved at the General Meeting of Shareholders.

/ The approval of the agreement entered into with the executive directors including, without limitation, the remuneration items they may be entitled to for the performance of executive functions, including the potential severance pay as a result of early termination, and the amounts to be paid, as the case may be, by the Company as insurance premiums or contributions to savings systems.

/ Fixing the individual remuneration of each director in their status as such and determining the individual remuneration of executive directors.

/ Approving the Annual Report on Remuneration of Directors.

3. Remuneration Committee

It plays the main role regarding the determination, enforcement and review of the Remuneration Policy.

Pursuant to the provisions of the Board of Directors' Regulations, the Remuneration Committee's Regulations, and the Directors' Remuneration Policy, below is a summary of the duties the Committee is entrusted with regarding determination, enforcement, review and transparency of the Remuneration Policy:

a) Determination of the Remuneration Policy:

/ To propose to the Board of Directors the Directors' Remuneration Policy as well as its regular review and update.

/ To propose to the Board of Directors the system and value of the directors' annual remunerations, to be submitted to shareholders at the Annual General Meeting.

/ To propose to the Board of Directors for approval, the individual remuneration of executive directors and the remaining basic terms and conditions of their agreements, including any potential severance pay or indemnity which may be payable in the event of removal, and the amounts to be paid by the Company as

insurance premiums or contributions to savings schemes, pursuant to the provisions of the internal regulations of the Company and of the Directors' Remuneration Policy from time to time in force.

b) Enforcement of the Remuneration Policy:

/ To propose to the Board of Directors at the beginning of each year the specific targets to which the annual variable remuneration is tied, pursuant to the terms of this Policy, and assess the achievement thereof at the end of the year. Further to such assessment, the Remuneration Committee drafts a proposal for annual variable remuneration that is submitted to the Board of Directors for approval.

/ To propose to the Board of Directors the specific targets applicable to each long-term variable remuneration cycle, within the limits set in the relevant resolutions passed at the Annual General Meeting and in accordance with the provisions of this Remuneration Policy. The RC carries out both an annual assessment and an overall assessment upon expiry of each cycle, of the level of achievement of each target, considering the information provided by the Company, and proposes to the Board of Directors for approval, the relevant incentive payout levels based on the applicable performance scales, and, where appropriate, any extraordinary factors that may arise during the performance measurement period of the relevant plan.

/ To propose to the Board of Directors the cancellation of payment or, where appropriate, the recovery (clawback) of the variable remuneration items of executive directors based on performance, where these items have been paid on the basis of information clearly shown later to be inaccurate, as well as, where appropriate, filing any claims or initiating any other appropriate actions.

/ To regularly review the terms and conditions of the agreements entered into with executive directors, ensuring that they are consistent with current remuneration policies.

c) Review of the Remuneration Policy:

/ To regularly review the Directors' Remuneration Policy, including share-based remuneration systems and the application thereof, verifying that it is consistent with the specific circumstances of the Company, and aligned with its strategy, in the short, mid and long-term, and with market conditions, considering whether it contributes to building sustainable value, and to ensuring an appropriate enterprise risk management.

d) Transparency of the Remuneration Policy:

/ To prepare and submit to the Board of Directors, for approval, the Annual Report on Remuneration of Directors, and to review the information on the remuneration of directors provided in the corporate documents, the notes to the annual accounts and in the interim financial statements of the Company.

4. Audit and Compliance Committee

The Audit and Compliance Committee reviews the results of the Company provided by the Financial Department, the General Counsel's Office, the Investor Relations Department and the Sustainability Department, on the basis of which the assessment of the level of achievement of financial targets (and certain non-financial targets) to which both the annual variable remuneration and the long-term variable remuneration will be carried out.

5. Sustainability Committee

This Board Committee is responsible for proposing to the Board of Directors the Group's sustainability strategy and objectives, and for overseeing their proper implementation and monitoring, including the assessment of the level of achievement of such objectives, both those integrated into the Group's overall sustainability strategy and those specifically linked to the CEO's variable remuneration schemes (aligned with the Group's sustainability strategy).

For these purposes, the Sustainability Committee periodically monitors the level of achievement of the sustainability targets (and not only upon completion of the relevant milestone or accrual period), on the basis of the information provided by the Sustainability Department.

6. Nomination Committee

This Board Committee plays a major role in the annual evaluation of the performance of executive directors, to which part of the annual variable remuneration is linked.

7.2. Considerations in the decision-making process over the Policy

Views of shareholders and stakeholders

To draw up the Remuneration Policy, the Board of Directors considers the external environment where the Company operates as well as the guidelines provided by the organisations representing institutional shareholders. In particular, the Board of Directors considers the views and expectations of institutional investors and proxy advisors, expressed through Inditex's ongoing shareholder engagement programme, as well as

recommendations, best practices and remuneration trends, at both domestic and international level.

Remuneration terms of all employees and of the management team

Remuneration structures for management, including the CEO, are clearly aligned with those for the rest of employees, as the same remuneration principles and the same mechanics for pay review and incentive design are followed, which are largely consistent within the organisation.

In general, compared to the rest of employees, a much larger proportion of the CEO's total remuneration is tied to the Company's performance. This means that their remuneration will vary upwards or downwards in accordance with business results. This measure seeks to align the interests of the CEO and those of shareholders.

The Board of Directors and the RC are apprised, where appropriate, of the amount and structure of the remuneration for all employees. The Committee proposes decisions to the Board of Directors on specific resolutions covering the remuneration of executive directors and Senior Management against the broader scope of the remuneration of Group employees.

Further information on this issue is available in Section 8 below.

Market conditions

Directors' remuneration is benchmarked against equivalent roles at comparable companies. The remuneration of non-executive directors is assessed by reference to companies which are constituents of the principal European stock market indices (including the IBEX35 in Spain, CAC40 in France, FTSE MIB in Italy, DAX40 in Germany, SMI 20 in Switzerland and FTSE 100 in the United Kingdom).

The remuneration of the CEO for the performance of executive functions is benchmarked against several groups of companies selected based on objective criteria such as business activity, size (including market capitalisation, number of employees and assets) and international operational footprint, among others. Accordingly, in the process of designing this Policy, consideration has been given to companies constituent of indices such as the STOXX Europe 50 and leading IBEX35 companies, as well as North American companies with a similar business profile and scale to Inditex.

Independent external advice

For the proper discharge of its duties, the RC may request the engagement, at the Company's expense, of legal, accounting, technical, financial, commercial or other expert advisers. Any such engagement must necessarily relate to particularly relevant and complex specific

matters arising in the performance of its duties.

7.3. Measures to prevent conflicts of interest

The necessary measures to prevent or manage conflicts of interest have been included in the procedure to approve the Remuneration Policy.

In this regard, the proposed draft Policy has been prepared by the RC comprised of a majority of independent directors and approved by the Board of Directors without amendments. Therefore, upon preparing the draft Policy, no conflict of interest has occurred as regards the CEO's compensation.

Furthermore, the separation under LSC between the authority to propose the directors' remuneration policy, which rests with the Board of Directors, and the authority to approve it, which is vested in the General Meeting of Shareholders, mitigates any potential conflicts of interest affecting the directors as a whole during the approval process of the Policy.

In addition, the documentation relating to the AGM expressly provides for specific mechanisms aimed at managing potential conflicts of interest in connection with proxy representation and voting.

In particular, with respect to agenda item No. 7 of the upcoming AGM, relating to the approval of this Policy, it is provided that where any director has been appointed as a proxy and no specific voting instructions have been given, or where, despite such instructions, the appointed proxy considers it appropriate to abstain from acting in relation to this item due to a potential conflict of interest, the represented shareholder shall be deemed to have appointed as proxies regarding such item, successively and in the event that any of them may likewise be subject to a conflict of interest, first the Chair of the AGM, secondly the Secretary of the AGM and last the Investor Relations Director of the Company. These individuals shall cast the vote in the manner they consider most favourable to the interests of the represented shareholder, within the framework of the shareholders' interest.

8. Relationship of the Directors' Remuneration Policy with the arrangements for the company's workforce

Guidelines on employee compensation seek to befit at all times each of the markets and labour environments where the Group operates, always in keeping with Inditex's culture and values and considering the identity of each of the commercial brands.

The Remuneration Policy is also structured in a manner consistent with the Group's corporate

culture and with the principles of simplicity, performance orientation and sustainable value creation that underpin Inditex's management model

For such reason, efforts are made to ensure that the remuneration standard befits the local reality of each market, fixing remunerations in line with reference practices in each such market in local currency. This means that different wage references exist based upon the different markets.

Under Inditex's remuneration policy, non-discrimination on grounds of gender, age, culture, creed, race, or any others, is guaranteed. Inditex's employees are compensated in accordance with their professional worth, experience, dedication and responsibility assumed.

Remuneration of Inditex employees is comprised of fixed and variable items. In particular, fixed remuneration is established in accordance with experience and personal contribution to the position, consistency with the responsibility within the organisation and the market, in line with the yardsticks that apply to the CEO.

In turn, variable remuneration is one of the key elements of Inditex's compensation policy. It applies to employees across all areas of the Group's operations. Variable remuneration is linked to predetermined and measurable indicators aligned with the Group's results and strategic priorities. Appropriate levels of remuneration differentiation are established according to each professional's contribution, responsibilities and capacity to support the execution of Inditex's strategy. In general, a significantly higher proportion of the executive director's total remuneration is linked to the Company's performance and the achievement of strategic objectives, as compared to the rest of the workforce. Accordingly, their remuneration may vary upwards or downwards in accordance with the level of achievement of such results and objectives, thereby reinforcing the alignment of their interests with those of shareholders.

Consistent with the Group's values of transparency, performance orientation and sustainability, certain sustainability-related objectives form part of the variable remuneration schemes applicable to office employees and Senior Management, including the CEO. In this way, the Policy reinforces the integration of the Group's strategic sustainability priorities into both its compensation systems and corporate culture.

Where appropriate, the Board of Directors and the RC are informed of the structure and evolution of the remuneration conditions applicable to employees. The Board of Directors, following a proposal from the RC, also considers the annual wage increase budgets applicable to employees, as well as the remuneration of the executive management team.

9. Alignment with the Company's strategy, interests and sustainability in the long-term

The features of the Remuneration Policy that ensure alignment with the Company's strategy, interests and long-term sustainability are outlined below.

The design of the Remuneration Policy is consistent with the strategy of the Company and oriented towards delivery of long-term results:

/ The CEO's total remuneration for the performance of executive functions is mainly comprised of the following remuneration items: (i) fixed remuneration; (ii) annual variable remuneration, and (iii) long-term or multi-year variable remuneration.

  The combined weighting of annual and long-term variable remuneration represents, under a target performance scenario, approximately 70% of total remuneration (fixed + annual variable + long-term variable).

/ The long-term variable remuneration plans are structured as multi-year plans, with a performance measurement period of at least three years, in order to ensure that the assessment process is based on long-term performance and takes into account the Company's underlying business cycle.

/ Part of the annual variable and long-term remuneration is granted and delivered in shares, on the basis of value creation, ensuring that the CEO's interests are aligned with shareholders' interests.

/ To reinforce the CEO's long-term commitment to the interests of the Company and alignment with shareholders' interests, they are subject to a share retention requirement, as described in Section 3.4 above.

  Furthermore, any shares delivered under the variable remuneration schemes applicable to the CEO are subject to a post-vesting retention period, during which hedging transactions shall be prohibited.

/ The metrics applicable to both annual and multi-year variable remuneration are linked to the achievement of a combination of financial, value creation and non-financial objectives. These objectives shall be specific, predetermined and measurable, aligned with the corporate interest and consistent with the Group's mid and long-term strategy.

  Examples of these metrics are set out in Sections 3.2.3 and 3.2.4 above, and the metrics established for each financial year or cycle, together with the relevant level of achievement, shall be disclosed in the relevant Annual Report on Remuneration of Directors.

/ In addition, the RC and the Sustainability Committee share common members. The Sustainability Committee is responsible, among other matters, for overseeing and monitoring sustainability proposals, stakeholder relations and the implementation of the sustainable strategy. Accordingly, the cross-membership of directors on both Committees helps ensure that the alignment of the Remuneration Policy with the Group's strategic sustainability priorities is taken into consideration both in the design and implementation of the Policy.

Likewise, the measures set out below are in place to reduce excessive risk exposure and shore up alignment with long-term objectives, values and interests of the Company:

/ The RC is responsible for reviewing, analysing and overseeing the enforcement of the Remuneration Policy. In particular:

  - The metrics, targets and weightings linked to variable remuneration are reviewed periodically to ensure that they remain sufficiently exacting and aligned with the Company's strategy and circumstances.
  - The consistency and complementarity of the indicators linked to both variable remuneration arrangements are reviewed, avoiding overlap or duplication between them.
  - At the end of the performance measurement period, the Committee assesses the level of achievement of the previously established, specific, predetermined and measurable objectives, in accordance with a formal process and based on audited financial information and other externally verified information.

/ Senior Management also falls within the scope of responsibility and oversight of the RC. This group includes professionals whose activities may have a significant impact on the Company's risk profile due to their capacity to take strategic, budgetary or operational decisions with material implications from a financial, reputational, regulatory or sustainability perspective. The identification of this group is reviewed periodically by the Nomination Committee.

  The measures taken in relation to those categories of personnel whose professional activities may have a material impact on the Group's risk profile are consistent with those applicable to the CEO.

/ As noted above, the Audit and Compliance Committee, the Sustainability Committee and the Nomination Committee also participate in the decision-making process relating to the CEO's variable remuneration.

/ At the date of approval of this Policy, all members of the RC also serve on the Audit and Compliance Committee, the body responsible for overseeing and assessing the Group's risks, including non-financial risks. This cross-membership between both Committees ensures that remuneration-related risks are taken into account in the discussions held by each Committee and in the proposals submitted to the Board of Directors in relation to both annual and long-term incentive.

/ The balance between remuneration items (remuneration mix), across the various performance scenarios, ensures that fixed remuneration represents a sufficiently significant proportion of total remuneration in order to avoid the assumption of unnecessary risks.

  At the same time, the variable remuneration items applicable to the CEO, which are linked to the achievement of Group objectives, are sufficiently flexible to allow for downward adjustment to the extent that, under certain circumstances, no variable remuneration may become payable, in which case fixed remuneration would represent 100% of total remuneration. Under no circumstances is variable remuneration guaranteed.

/ The Policy includes *ex post* control mechanisms in relation to variable remuneration (malus and clawback) in the circumstances described in Section 3.3 above.

/ The Remuneration Policy and its implementation are subject to periodic review by the RC in order to ensure: (i) consistency with the Company's particular circumstances; (ii) alignment with the Group's short, mid and long-term strategy and with market conditions; and (iii) the appropriate control and management of risks.

/ As noted above, any shares delivered under any variable remuneration scheme applicable to the CEO shall be subject to a two-year retention period following delivery. In the case of shares delivered under long-term incentive plans, such retention obligation shall continue even after the termination of the executive relationship with the Company (if the relevant retention period has not yet expired).

  In addition, the CEO is subject to the retention requirement described in Section 3.4 above.

10. Effect

On the proposal of the RC, the Board of Directors will submit this new Directors' Remuneration Policy to the shareholders at the AGM to be held in 2026 for approval. Following its approval, the Policy will become effective on 1st February 2027.

The Remuneration Policy shall be effective until 31st January 2030, without prejudice to any adaptation or update that the Board of Directors may introduce pursuant to the provisions thereof,

and any amendment thereto from time to time approved at Inditex's Annual General Meeting.

The remuneration policy currently in effect for financial years 2024, 2025 and 2026, approved at the AGM held on 11 July 2023 will remain in effect until 31st January 2027

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