INDITEX

Annual General Meeting

Proposed resolutions

11 July 2023

Annual General Meeting of Industria de Diseño Textil, S.A. (INDITEX, S.A.)

11 July 2023

1. /

Approval of the individual annual accounts and grant of discharge to the directors:

The following resolutions are proposed to shareholders at the Annual General Meeting:

a) Approval of the annual accounts and the directors' report of Industria de Diseño Textil, S.A. (Inditex, S.A.) for the year ended 31 January 2023.

"To approve the annual accounts (Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and Notes to the accounts) and the directors' report of Industria de Diseño Textil, Sociedad Anónima, (Inditex, S.A.) for the year ended 31 January 2023, stated by the board of directors at its meeting held on 14 March 2023 in accordance with format and labelling requirements set out in Commission Delegated Regulation (EU) 2019/815, signed by all the directors and verified by the company's statutory auditor."

b) Grant of discharge to the directors relating to the year ended 31 January 2023.

"To grant discharge to the directors of Industria de Diseño Textil, S.A. (Inditex, S.A) relating to the year ended 31 January 2023."

2. /

Approval of the consolidated annual accounts and directors' report of the Inditex Group for the year ended 31 January 2023.

The following resolution is proposed to shareholders at the Annual General Meeting:

"To approve the consolidated annual accounts (consolidated Balance Sheet, consolidated Income Statement, consolidated Statement of Comprehensive Income, consolidated Statement of Changes in Equity, consolidated Statement of Cash Flows and Notes to the consolidated accounts) and the consolidated directors' report of the Inditex Group for the year ended 31 January 2023, except for the non-financial information subject to approval pursuant to agenda item 3 below, stated by the board of directors at its meeting held on 14 March 2023 in accordance with format and labelling requirements set out in Commission Delegated Regulation (EU) 2019/815, signed by all the directors and verified by the company's statutory auditor."

3. /

Approval of the 2022 Statement on Non-financial Information.

The following resolution is proposed to shareholders at the Annual General Meeting:

"To approve the 2022 Statement on Non-financial Information for the year ended 31 January 2023, which is an integral part of the consolidated directors' report of the Inditex Group for said year, approved under agenda item 2, stated by the board of directors at its meeting held on 14 March 2023 and verified pursuant to applicable regulations."

4. /

Distribution of the year's income or loss and dividend distribution.

The following resolution is proposed to shareholders at the Annual General Meeting:

"To approve the proposal for the distribution of the income for the year ended 31 January 2023 in the amount of one billion nine hundred six million euro (€1,906 million) to be distributed as follows:

	€ million
To voluntary reserves:	*€36 million*
To dividends	*€1,870 million*
TOTAL	*€1,906 million*

Likewise, to approve a dividend distribution (the maximum amount to be distributed as fixed dividend in the amount of €1.20 gross per share, composed of an ordinary dividend of €0.796 per share and a bonus dividend of €0.404 per share for all outstanding shares) in the following overall amount, including the distribution of the income for the year ended 31 January 2023:

TOTAL DIVIDENDS	€3,740 million

It is therefore resolved to pay the shares entitled to dividends the amount of €1.20 gross per share. As the amount of €0.60 gross per share has already been paid on 2 May 2023 as interim ordinary dividend, it is now resolved to pay a final ordinary and bonus dividend of €0.60 gross per share, the remaining amount until completing the total dividend, charged where necessary to the company's unrestricted reserves.

Said final dividend will be paid to shareholders as of 2 November 2023, through those entities linked to the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U (Iberclear) [Spanish Central Securities Depositary in charge of the Register of Securities and the Clearing and Settlement of all trades] (Iberclear) where they have their shares deposited."

5. /

Board of Directors:

The following resolutions are proposed to shareholders at the Annual General Meeting, following the relevant reports or proposals from the Nomination Committee:

a) **Determining the size of the board of directors.**

Pursuant to the provisions of section 242 LSC, the following resolution is proposed to shareholders at the Annual General Meeting:

"To reduce by one the current number of board members, which will be set at ten (10) directors, within the maximum and minimum range set forth in article 23 of the Articles of Association."

b) **Re-election of Mr Amancio Ortega Gaona to the board of directors as proprietary director.**

"To re-elect Mr Amancio Ortega Gaona to the board of directors as proprietary director for the 4-year term provided in the Articles of Association as of the date of the Annual General Meeting. Mr Ortega's personal details have already been registered with the Companies Register."

c) Re-election of Mr José Luis Durán Schulz to the board of directors as independent director.

"To re-elect Mr José Luis Durán Schulz to the board of directors as independent director for the 4-year term provided in the Articles of Association as of the date of the Annual General Meeting. Mr Durán's personal details have already been registered with the Companies Register."

6. /

Approval of the Directors' Remuneration Policy for FY2024, FY2025 and FY2026.

The following resolution is proposed to shareholders at the Annual General Meeting, following a report from the Remuneration Committee and the substantiated proposal of the board of directors:

"*To approve Inditex's new Directors' Remuneration Policy for FY2024, FY2025 and FY2026, pursuant to section 529novodecies LSC, which will become effective on 1 February 2024, date on which the current remuneration policy approved at the Annual General Meeting held on 13 July 2021 and amended in part at the Annual General Meeting held on 12 July 2022, will cease to be effective".*

7. /

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

The following resolution is proposed to shareholders at the Annual General Meeting:

*"To approve, pursuant to section 219 LSC and article 31 of the Articles of Association, the 2023-2027 Long-Term Incentive Plan (the "**Plan**") addressed to members of management, including executive directors, and other employees of the Inditex Group.*

The Plan is in line with the new directors' remuneration policy for FY2024, FY2025 and FY2026 submitted to shareholders for approval at the Annual General Meeting under agenda item 6, pursuant to section 529novodecies LSC.

The basic terms and conditions of the Plan are:

- */ **Description**: The Plan consists of the combination of a multi-year bonus in cash and the promise to deliver shares free of charge, which will be paid to the beneficiaries of the Plan, either in full or in the relevant applicable percentage, once a specific period of time has elapsed and the achievement of specific targets has been established.*
- */ **Beneficiaries**: beneficiaries of the Plan shall mean such members of management, including executive directors and other employees of the Inditex Group invited to participate in the Plan. The maximum number of beneficiaries will stand at 750.*
- */ **Duration**: The Plan has a total duration of 4 years and is divided into 2 separate and independent time cycles. The first cycle of the Plan runs from 1 February 2023 through 31 January 2026. The second cycle of the Plan extends from 1 February 2024 through 31 January 2027.*
- */ **Maximum number of shares:** the maximum number of shares that the Plan covers amounts to 7,500,000 ordinary shares, representing 0.24% of the Company's share capital. Out of such shares a maximum number of 183,750 shares is addressed to the CEO.*
- */ **Maximum incentive granted and benchmarking value of the shares**: the maximum incentive granted is the sum of the maximum incentive granted in cash and the maximum incentive granted*

in shares. It will be individually disclosed to each beneficiary.

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

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

Maximum incentive granted in shares = value of the award in euro / average weighted closing price of Inditex's share on the 30 trading days immediately prior to the commencement date of each cycle (exclusive). For the first cycle, such date is 1 February 2023 and the average closing price of Inditex's share is €26.6.

No incentive may be awarded beyond the maximum incentive granted.

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

The CEO will receive, if appropriate, an incentive which will materialise as follows: 60% in shares and 40% in cash. The cash and shares percentages of incentive to be paid and delivered to the remaining members of management and employees who are beneficiaries of the Plan will be contingent upon the specific group where they belong.

The achievement of the targets will be measured on the basis of identifiable and quantifiable parameters. The incentive to be paid to each individual beneficiary will be contingent on a number of metrics tied to the strategic objectives of the company while the Plan is in effect, in line with the provisions of the Directors' Remuneration Policy in this regard.

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

- / *PBT (profit before taxes): profit for the year ended 31 January 2026 (amount in euro).*
- / *Store and Online Sales (TTTT): total store and online sales achieved in the year ended 31 January 2026 (amount in euro), in constant currencies, according to the company's information.*
- / *Absolute and relative Total Shareholder Return (TSR):*
    - *Absolute TSR: is defined as the evolution of an investment in Inditex's shares for the first cycle, determined by the ratio (expressed as a percentage) of the final value of an hypothetical investment in Inditex shares (reinvesting dividends from time to time) on the initial value of such same hypothetical investment.*
    - *Relative TSR is defined as the evolution of an investment in Inditex's shares relative to the evolution of an investment in shares of any of the companies included in the Benchmark Group (as defined below), determined by the ratio (expressed as a percentage) of the final value of an hypothetical investment in shares (reinvesting dividends from time to time) on the initial value of that same hypothetical investment.*

/ *Sustainability index, comprised of the following 4 indicators for the first cycle of the Plan:*

a) *Decarbonization: measured in terms of percentage reduction of the volume of Scope 3 Greenhouse Gas emissions, in the category "procured goods and services".*

b) *Water consumption: measured in terms of percentage reduction of water consumption (litre/kg) in the supply chain.*

c) *Consumption of BEST fibres: measured as a percentage of BEST fibres (organic, in conversion, regenerative, recycled, certified as European linen, Green viscose in the Hot Button Report by Canopy and EU BAT compliant or "Next Generation") for the main fibres (cotton, polyester, linen, viscose, modal and Lyocell).*

d) *People included in the Workers at the Centre Strategy 2023-2025: measured as the total number of workers who are part of the programmes of the priority impact areas of social dialogue, living wages, health, respect and resilience of the Workers at the Centre Strategy, for 2023, 2024 and 2025.*

Each metric will be weighted as follows: (i) 25% PBT; (ii) 25% TTTT; (iii) 25% TSR: 12.5% absolute and 12.5% relative, and (iv) 25% sustainability index.

In order to calculate the payout coefficient achieved for each level of target attainment, a performance scale will be determined for each metric which will be set at the beginning of the cycle. Such scale will include a minimum threshold below which no incentive will be awarded, corresponding to a 30% payout coefficient of maximum incentive granted, and a maximum level, corresponding to a 100% payout coefficient of maximum incentive granted. For intermediate levels, results will be determined by linear interpolation.

/ *With regard to PBT and TTTT: the numbers achieved in the year ended 31 January 2026 will be considered, relative to the target set by the board of directors at the beginning of the first cycle.*

/ *With regard to absolute TSR: the average weighted closing share price for the 30 trading days immediately prior to 1 February 2023 (exclusive) for the first cycle (€26.6) will be considered as initial value and, the average weighted closing share price for the 30 trading days immediately prior to 31 January 2026 (inclusive) for the first cycle will be considered as final value. To calculate such final value, dividends or such other similar amounts received by shareholders on said investment during the relevant period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to the shareholders and at the closing price of the share on that date.*

/ *With regard to relative TSR:*

The Benchmark Group detailed below is made up of 14 companies within the textile sector with a potential impact in their share price due to external factors similar to Inditex: Nike, Fast Retailing, Lululemon Athletica, Adidas, H&M, Associated British Foods, VF Corporation, Burberry, Next, Puma, Zalando, JD Sports Fashion, Ralph Lauren Corporation and Hugo Boss (the "Benchmark Group").

For the purposes of Inditex's TSR and the TSR of each company within the Benchmark Group, initial value shall be understood as the average weighted closing price of each company's share in the 30 trading days immediately prior to 1 February 2023 (exclusive).

For the purposes of Inditex's TSR and the TSR of each of the companies included in the Benchmark Group, final value shall be understood as the average weighted closing price of each company's share in the 30 trading days immediately prior to 31 January 2026 (inclusive).

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

At the end of the first cycle, the following items will be calculated:

- *Inditex's TSR and the TSR of each company included in the Benchmark Group for the 2023-2026 period.*
- *The arithmetic mean of the TSR of each company included in the Benchmark Group to obtain the average TSR of the Benchmark Group.*
- *Inditex annualised TSR and the Benchmark Group annualised TSR.*

Then the difference (subtraction) between Inditex's annualised TSR and the Benchmark Group's annualised TSR will be calculated. This difference will be compared with the target set by the board of directors at the beginning of the first cycle and will represent a different payout coefficient, which ranges between 0% and 100% of the maximum incentive granted.

/ *Sustainability index:*

The Remuneration Committee will follow up on the targets on an annual basis and evaluate the achievement thereof at the end of each cycle. Such evaluation will be carried out based upon the information and numbers provided by the Sustainability Department and reviewed first by the Sustainability Committees. For the evaluation of indicators no. 1 (Decarbonisation) and no. 2 (Water consumption), the evaluation to be carried out will consider such indicators at the final date of the cycle in order to determine reduction versus the year set as baseline year. As regards indicator no. 3 (Consumption of BEST fibres), the consumption percentage reached in the Winter 2025 season over the total fibre consumption for the main fibres (cotton, polyester, linen, viscose, modal and Lyocell) in the Winter 2025 season will be taken into account. Last, with regard to indicator no. 4 (People included in the Workers at the Centre Strategy 2023-2025), accumulated data for the three years (2023, 2024 and 2025) will be considered for the evaluation.

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

- *Executive directors must retain a number of shares equivalent to the incentive awarded in shares, net of any applicable taxes, for the two (2) years following their award. Additionally, beneficiaries to whom notice is expressly given for such purpose, shall retain a number of shares equivalent to the incentive awarded in shares, net of any applicable taxes, for one (1) year following their award.*
- ***Award date**: The incentive earned in cash and in shares will be paid/awarded within the calendar month following the date of publication of the annual accounts for the year ended 31 January 2026 with regard to the first cycle and within the calendar month following the date of publication of the annual accounts for the year ended 31 January 2027 with regard to the second cycle.*
- ***Cancellation or clawback**: with regard to executive directors and those beneficiaries to whom notice has been expressly given, the Company may cancel and/or claim refund of the long-term incentive paid, in full or in part, (clawbacks) in the event that any of the following circumstances would occur during the 2 years following the award of the incentive for the proceedings carried out in each cycle:*
    - *Group losses (negative PBT) in the 2 years following the end of each cycle, attributable to management decisions made in the performance period of each cycle;*
    - *Material restatement of the Group's financial statements, when so considered by the external auditors, except where this is appropriate pursuant to a change in accounting standards;*
    - *Serious breach of the internal regulations by the beneficiary as evidenced by the Ethics Committee or the Market Transparency Committee.*
- *The board of directors is authorised, in the broadest terms and with the express authority to delegate such powers, to implement, develop and formally execute the Plan, passing such resolutions and subscribing such documents, whether public or private, as may be necessary or expedient so that such Plan would be fully effective, including the power to correct, change, amend or supplement the relevant resolution of the Annual General Meeting and, generally to pass such resolutions and carry out such proceedings as may be necessary or expedient for the full effect of this resolution and to implement, execute or settle the Plan, requesting a prior report or proposal from the Remuneration Committee where necessary, including, without limitation, the following powers:*
    - *To designate at any time the beneficiaries of the Plan and determine the maximum incentive granted to each of them and cancel, where appropriate, the appointments and grants previously made.*
    - *To develop and set the specific terms of the Plan, regarding any and all issues not addressed in this resolution, being entitled to approve operating Rules for the Plan.*
    - *To determine for the second cycle the parameters in line with strategic priorities from time to time in force, that will be disclosed in the relevant Annual Report on Remuneration of Directors, consistently with the remuneration policy from time to time in effect.*
    - *To consider upon determining the level of achievement of targets, the removal of any economic effects, whether positive or negative, that result from any extraordinary events and which might distort the outcome of the evaluation.*

/ *And generally, to carry out such acts and things, pass such resolutions and execute such documents as may be required or expedient for the validity, effectiveness, implementation, execution and performance of the Plan and of the resolutions previously passed."*

8. /

Authority to the board of directors for the acquisition on the market of own shares, cancelling the authority granted at the 2019 Annual General Meeting.

The following resolution is proposed to shareholders at the Annual General Meeting:

"To grant authority to the board of directors so that it may, in accordance with the provisions of sections 146 and 509 LSC proceed to the acquisition on the market of own shares, either directly or through any subsidiaries in which the Company is the controlling company, observing the statutory limits and requirements and under the following conditions:

/ ***Methods of acquisition**: the acquisition shall be done, once or several times, through purchase and sale, exchange, dación en pago [acceptance in lieu of payment], or as otherwise permitted in statute.*

/ ***Maximum number of treasury stock to be acquired**: shares with a nominal value which, added to that of those shares directly or indirectly in the possession of the Company, do not exceed 10% of the share capital.*

/ ***Maximum and minimum prices**: the minimum share acquisition price shall be their nominal value and the maximum price shall be up to 105% of their market value at the date of the acquisition.*

/ ***Purpose:** For the purposes of the provisions of section 146.1(a) LSC, it is hereby stated that shares acquired under this authority may be used by the Company, inter alia, to be delivered to employees or directors of the Company, either directly or as result of the exercise of the option right they may hold, under remuneration schemes for employees of the Company or its Group. Likewise, shares acquired under this authority may be disposed of or depreciated, in full or in part, or be used, in full or in part, to achieve potential corporate or business transactions or decisions, as well as any other purpose legally permitted.*

/ ***Duration of the authority:** five (5) years from the date of this resolution. This authority supersedes, to the extent not used, the authority approved at the Annual General Meeting held on 16 July 2019."*

9. /

Advisory vote on the 2022 Annual Report on Remuneration of Directors.

The following resolution is proposed to shareholders at the Annual General Meeting:

"To approve by means of an advisory vote (say on pay), the 2022 Annual Report on Remuneration of Directors of Inditex approved by the board of directors on 14 March 2023, the full text of which has been made available to shareholders, together with the remaining documentation for the Annual General Meeting as of the date the notice of the Annual General Meeting was published."

10. /

Granting of powers to implement resolutions.

The following resolution is proposed to shareholders at the Annual General Meeting:

"To delegate to the board of directors, expressly empowering it to be substituted by any person expressly authorised for these purposes by the board, all necessary and broadest powers as required in statute for the correction, development and implementation, at the time that they may deem most appropriate, of each and every resolution passed at this Annual General Meeting.

In particular, to authorise the CEO, Mr Óscar García Maceiras, and to grant a special power of attorney as broad as might be required in statute to the Secretary of the board of directors, Mr Javier Monteoliva Díaz so that either of them may, jointly and severally, without distinction, and as widely as is necessary at law, do and perform all acts and things as may be required to implement the resolutions passed at this Annual General Meeting to have them recorded with the Companies Register and with any other public registry, including, in particular, without limitation, the power to appear before a notary to execute the public deeds and notary's certificates that are necessary or expedient for such purpose, correct, change, ratify, construe or supplement the agreements and execute any other public or private document which may be necessary or expedient so that the resolutions passed are implemented and fully registered, without the need for a new resolution of the Annual General Meeting to be passed, and to proceed to the mandatory filing of the individual and consolidated annual accounts with the Companies Register."

11. /

Reporting to shareholders at the Annual General Meeting on the amendments to the Board of Directors' Regulations.

"Pursuant to the provisions of section 528 LSC, the Annual General Meeting is hereby informed that the board of directors resolved at its meeting held on 6 June 2023, following a favourable report from the Audit and Compliance Committee, to approve the amendment to the Board of Directors' Regulations pursuant to the terms addressed in the explanatory report drawn up by the board of directors on this issue and summarised below:

- */ A first group of amendments answers the need to cover the changes to some of its main internal bodies and, in particular, to include an express reference to the Cybersecurity Advisory Committee.*
- */ A second group of amendments seeks to reinforce the commitment to a diverse board membership and remove any discriminatory bias, by removing the current age limit to be a company director provided in the Board of Directors' Regulations, in line with the current Diversity of Board of Directors Membership and Director Selection Inditex Policy.*
- */ On the other hand, the opportunity has been seized to introduce certain editorial improvements."*