INDITEX

Annual report on the proceedings of the

Nomination Committee

FY2023

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1. Foreword

This annual report on the proceedings of the Nomination Committee of Industria de Diseño Textil, S.A. (INDITEX, S.A.) ("**Inditex**" or the "**Company**") has been drawn up pursuant to Recommendation 6 of the Good Governance Code of Listed Companies, approved by the National Securities Market Commission of Spain ("**CNMV**") on 18 February 2015 and amended in part by resolution of CNMV's board of directors on 25 June 2020 ("**GGC**"), section 11 of CNMV's Technical Guide 1/2019 on nomination and remuneration committees ("**Technical Guide 1/2019**") and section 22.3 of the Nomination Committee's Regulations. It describes the main proceedings of the committee from 1 February 2023 through 31 January 2024 (FY2023).

2. The Nomination Committee: regulations and membership

2.1. Regulations, mission and powers

Regulations

The Nomination Committee is governed by the provisions of article 29 of the Articles of Association, section 16 of the Board of Directors' Regulations and more specifically, of its terms of reference.

The full text of the above referred sets of internal rules, as amended, is available on the corporate website (www.inditex.com).

Mission and powers

The mission and powers of the Nomination Committee are outlined in article 29.3 of the Articles of Association, section 16 of the Board of Directors' Regulations, and sections 5 to 9 of the Nomination Committee's Regulations.

In addition to the powers expressly assigned pursuant to statute and GGC Recommendations, the duties of the Nomination Committee include:

/ With regard to directors' selection: (i) to issue a report on the Diversity of Board of Directors Membership and Director Selection Policy; (ii) to set up and review the criteria that must be adhered to regarding an appropriate and diverse board membership and the selection of prospective candidates; (iii) to ensure that, upon filling new vacancies or upon appointing new directors, selection procedures shall encourage diversity and ensure the absence of any bias as well as follow merit-based approach; and (iv) to be regularly apprised of the succession and career plans of senior managers.

/ With regard to the annual evaluation process: (i) to establish and oversee an annual programme to evaluate the performance of the board of directors, its members and its committees, the Chair, the CEO, the Secretary and the Lead Independent Director; (ii) to report on an annual basis to the board of directors on the performance of the board, its members and committees; (iii) to propose an action plan or recommendations to remedy potential weaknesses detected or to enhance the effectiveness of the board and its committees; and (iv) to assess the convenience of discussing with directors the findings of their individual evaluations and, if appropriate, the action to be taken to improve their performance.

Additionally, the committee may gather information about the evaluation of senior managers.

/ Other powers entrusted to the committee: to design and periodically organise the induction and refresher programmes for directors.

2.2. Membership

2.2.1. Structure

Pursuant to the provisions of article 29 of the Articles of Association and section 10 of its terms of reference, the Nomination Committee shall be made up of a minimum of 3 and a maximum of 7 non-executive directors appointed by the board, a majority of whom shall be independent. Its Chair shall be appointed by the board out of its independent members. Members of the Nomination Committee shall be in office for a 4-year term at the end of which they will be eligible for re-election.

With regard to the committee's membership, Mr José Luis Durán Schulz was re-elected as member and Chair of the Nomination Committee in 2023 following his re-election to the board as independent director approved at the Annual General Meeting.

The Nomination Committee membership as of 31 January 2024 and as of the date of this report is shown below:

Name	Position	Directorship type	Date of first appointment
Mr José Luis Durán Schulz	Chair	Independent	13-07-2022
Ms Anne Lange	Ordinary member	Independent	10-12-2019
Ms Pilar López Álvarez	Ordinary member	Independent	17-07-2018
Mr Rodrigo Echenique Gordillo	Ordinary member	Independent	14-07-2015
Mr José Arnau Sierra	Ordinary member	Proprietary	14-07-2015

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Nomination Committee.

2.2.2. Diversity

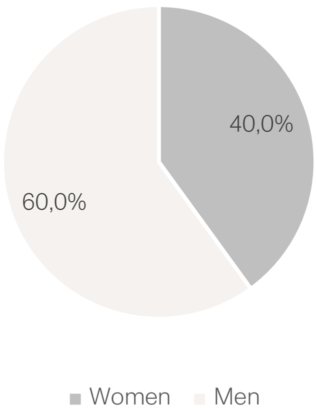
Pursuant to the provisions of the Nomination Committee's Regulations, such committee shall be composed of a majority of independent directors who shall be appointed, as a whole, and in particular its chair, taking into account their knowledge, qualifications and experience on corporate governance issues, analysis and strategic assessment of human resources, selection of directors and officers and assessment of the suitability requirements legally provided for the discharge of senior management functions.

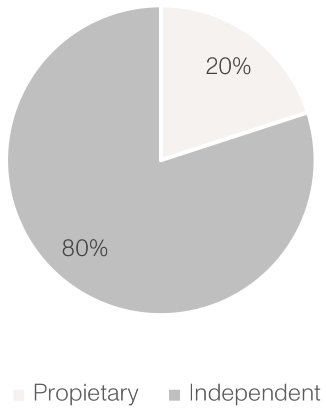
The CV of every member of the committee, with more detailed information about their experience and background, is available on the corporate website (www.inditex.com).

Meanwhile, pursuant to section 5.1.2 of the Diversity of Board of Directors Membership and Directors'

Selection Policy and section 10 of its terms of reference, the board of directors shall encourage a diverse membership on the committee as regards professional experience, competences, sector-specific knowledge, personal skills, international experience or geographic origin, age and gender, taking into account the restrictions that are a result of the smaller size of the Committee.

Gender diversity and directorship types on the Nomination Committee as at 31 January 2024 and as at the date of this report are shown in the graphs below:





3. Proceedings and activities of the Nomination Committee: meetings held, attendance, business transacted and reports

3.1. Proceedings

The Committee shall meet at least three (3) times a year and whenever its chair calls it. The Chair of the Nomination Committee shall call it each time the board of directors or its chair would request the issue of a report or the adoption of proposals within its purview, and in any case whenever it is appropriate for its effective performance.

Ordinary meetings shall be called by letter, fax, telegram or e-mail and the meeting notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members attend in person or by proxy. As provided in section 15 of its terms of reference, the Nomination Committee may also pass written resolutions in lieu of a meeting.

Committee meetings may be held via videoconference or conference call, or any other equivalent system allowing to recognize and identify attendees, for them to communicate, speak and cast vote, all of it in real time.

The Chair may arrange working sessions to prepare committee meetings on specific topics aside from formal committee meetings.

For the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee prepares an annual working plan that shall include at least the annual schedule of its ordinary meetings and a tentative agenda of issues under its purview.

The committee may rely on external advisors to duly perform the duties it has been entrusted with. The committee may also call executive directors, members of Management and any employee of the Company, who shall be bound to attend its meetings and provide it with assistance and access to the information available to them upon the committee's request.

The deliberations and the resolutions passed by the committee are recorded in the relevant minutes of the meeting taken by the Secretary thereof.

3.2. Activities: meetings held, attendance, business transacted and reports

The Nomination Committee has held six (6) meetings in 2023, four (4) of which had been included in the Schedule of meeting dates and agenda of business to be transacted.

Directors' attendance rate, whether physical or virtual, at the meetings held in 2023 stands at 90%.

In 2023, the Nomination Committee has held in-person and hybrid meetings (with some directors attending in person and others remotely). Videoconference or conference call systems were used to hold such hybrid meetings.

The duration of committee meetings was changing. Its members have dedicated enough time to the consideration and review of agenda items.

4. Main action lines

The main action lines of the Nomination Committee's annual work plan have been determined by its Schedule of meeting dates and agenda of business to be transacted in 2023 which was approved on 11 December 2022. This schedule allows to systematically arrange the agenda of the meetings organised for the year, planning fixed sections covering recurrent topics as well as occasional items, based on the committee's essential duties and competences.

The main proceedings of the Nomination Committee in the year have revolved around the following areas:

4.1. Proceedings relating to appointment and removal of officers

4.1.1. Directors

The committee reviewed and considered at its meetings held on 13 February and 3 May 2023 the best alternatives to address the board vacancy that would be created following the imminent departure from the board of former director Mr Emilio Saracho Rodríguez de Torres at the Annual General Meeting held on 11 July 2023. Such review covered, inter alia, the evaluation of quantitative and qualitative aspects relating to the board size and membership, considering the Board Skills Matrix and the results of the 2022 evaluation.

Contemporaneously, a headhunting process was launched to define the qualities sought and search for prospective candidates to fill the board seat as independent director, with the support of an independent advisor. The process was led by the Chair who kept the committee updated on its progress.

As a result of such review, the Nomination Committee issued the report on board needs at the meeting held on 5 June 2023. Such report covered the following proposals: (i) the elimination of the board seat and the subsequent reduction in the number of board members, (ii) the proposal on the re-election of Mr Amancio Ortega Gaona and Mr José Luis Durán Schulz to the board as proprietary and independent director, respectively, and (iii) the update of the Board Skills Matrix. The report also assessed whether the professional profiles of the directors eligible for re-election were appropriate in view of the Company's description, its business and its international dimension, and their directorship type.

The findings of the committee's report were ratified by the board of directors in its explanatory report dated 6 June 2023 which also addressed the quality of the work and the dedication to the position of the two directors whose re-election was proposed.

The report on board needs and the explanatory report issued by the board of directors were made available to shareholders on the corporate website at the time the notice calling the Annual General Meeting was posted, together with the updated Board Skills Matrix.

The proposals on the downsizing of the board of directors, setting the number of directors at ten (10) and on the re-election of the above-mentioned directors were approved at the Annual General Meeting held on 11 July 2023.

4.1.2. Senior managers and other officers

The Nomination Committee is responsible for setting and reviewing the yardsticks that must be used to ensure an appropriate membership on Inditex's governing bodies. It further plays an active role in selection processes for prospective candidates.

At the meeting held on 7 November, the committee gave a favourable report to the appointment of the members to the new Cybersecurity Advisory Committee, on the motion of the Chief Information Security Officer ("CISO") to ensure the existence of an appropriate balance of competences and experiences on such committee as a whole for the effective performance of its advisory duties. Such proposal was approved at the board meeting held on that same day.

4.2. Ascertaining compliance with the Diversity of Board of Directors Membership and Director Selection Policy

The committee established at the meeting held on 6 February 2024 compliance with the Diversity of Board Membership and Director Selection Policy.

Further to the pertaining evaluation, the Nomination Committee has established that the formal requirements of the Diversity of Board of Directors Membership and Director Selection Policy have been met in the decisions made in 2023 regarding board membership, its size and structure, since: (i) it has established that the proposals on (a) the elimination of the position and subsequent reduction of the number of directors, and (b) the re-election of the two directors were based on the prior analysis of the Company's needs with the scope described; and(ii) the process has been carried on the basis of the Boad Skills Matrix.

In addition, the goals set in the Policy have been observed and its principles have been abided by, as the proposal on the elimination of the board position and on the re-election of the two directors has contributed to ensuring an appropriate board and committees' membership and encouraging diversity of knowledge, skills, experience and, in particular, gender on the board. In this regard, the 40% representation goal set for the least represented gender has been exceeded.

4.3. Review of key positions

In 2023, the committee has followed up on the review of key positions in the Company and the identification of suitable candidates to fill them.

4.4. Annual performance evaluation

The committee approved on 13 February 2023 the action plan resulting from the annual evaluation of the performance of the board of directors, its members and committees, the Chair, the CEO, the Lead Independent Director, the Secretary of the board and committees' chairs, carried out in 2022.

The Nomination Committee must prepare every year a programme to evaluate performance of governing bodies. In 2023, the Nomination Committee resolved to engage an external facilitator, KPMG, whose independence was verified by the committee, to carry out the full self-assessment process.

For the first time this year, the methodology and structure used has combined: (i) the preparation and distribution of questionnaires with 146 matters subject to assessment, and (ii) raising questions in writing to directors to subsequently interview them separately in a confidential manner. The self-assessment has covered issues such as organization, membership, effectiveness, proceedings and responsibilities of the main governing bodies and key positions.

The process has also included the review by the external expert of Inditex's practices regarding the expectations of the most relevant external players (proxy advisors and institutional investors).

KPMG has issued a report with the findings reached, based on the directors' insights, both global and for each body and position separately, with qualitative and quantitative information.

On 11 December 2023, the committee reviewed the results of the self-assessment of performance carried out by the external advisor. The overall assessment has been very good as directors consider that the board and its committees are very well run and effective, as are their respective chairs, and that the Chair of the board, the CEO, the LID and the Secretary are very capable.

The strengths pointed out in the evaluation include the work atmosphere, the adequate discharge of duties and the trust in the management model, the satisfaction with the agenda and the order of business of the meetings, the quality of the information provided, and the follow-up on the action plans resulting from prior evaluations. Moreover, in their self-assessment, directors have also pointed out the need to continue improving the Company's corporate governance system.

Based on the results of the evaluation, the committee approved an action plan at the meeting held on 11 December 2023, to be followed-up throughout 2024. The committee apprised the board on the results of the evaluation and the action plan at the meeting held on 12 December 2023.

4.5. Schedule of meeting dates and agenda of business to be transacted.

Pursuant to recommendations of CNMV's Technical Guide 1/2019, the Nomination Committee approved at the meeting held on 11 December 2023 the schedule of meeting dates and agenda of business to be transacted by the committee in 2024.

4.6. Annual report on the proceedings of the Nomination Committee.

The Nomination Committee issued on 5 June 2023 the annual report on the proceedings carried out in 2022. Such report is available on the corporate website (www.inditex.com).

5. Main relations of the Nomination Committee

5.1 With the General Meeting of Shareholders

The chair of the Nomination Committee attends the Annual General Meeting to report, where necessary, on the questions raised by shareholders regarding matters that fall within its purview.

In addition, this Report is made available to shareholders and investors at the time the Annual General Meeting is called.

5.2 With the Board of Directors

At the beginning of every board meeting, the chair of the Nomination Committee reports on the main business transacted and the resolutions passed at its last meeting. In 2023, the chair of the Nomination Committee has reported four (4) times to the board of directors.

In addition, a copy of the minutes of every committee meeting is made available to all the directors.

5.3 With board committees

Directors sitting on the Nomination Committee also sit on several other board committees.

5.4 With the CEO and Senior Managers

For the purposes of allowing the Nomination Committee to be directly apprised of the Company's business dynamics, it encourages the presence of the CEO, officers, heads of departments and corporate areas and heads of business units at its meetings so that they would share their view on certain issues directly linked with its area of responsibility.

In particular, the CEO and the Chief People Officer of the Group[1] have attended by invitation of the committee's chair one (1) of the six (6) meetings of the Nomination Committee held in the year, to present the Succession Plan of Senior Managers and other Key Positions.

In addition, the Chief People Officer reports to the committee, where appropriate, on the changes, if any, to the global talent management, career development and succession programmes for key staff members.

Those occasionally invited to attend the meetings to deal with certain agenda items were never present when the relevant items were deliberated on and put to the vote of the meeting.

Likewise, efforts will be made to ensure that attendance at committee meetings of anyone other than its members is limited to such cases where it is necessary, and for the transaction of specific agenda items for which they were called to attend.

5.5 With the Lead Independent Director

Mr Echenique, Lead Independent Director, sits on the Nomination Committee, which allows him to better coordinate the annual evaluation of performance with regards to the areas under his purview: the performance of the non-executive Chair and of the CEO.

[1] Those occasionally invited to attend the meetings to deal with certain agenda items were never present when the relevant items were deliberated on and put to the vote of the meeting.

5.6 With external advisors

In order to receive assistance in the performance of their duties, members of the committee may request that legal, accounting, financial or other experts be engaged at the Company's expenses. The engagement must necessarily address specific issues of certain weight and complexity that may be faced in the discharge of their duties.

In 2023, the Nomination Committee has relied on the expert advice from different renowned law and consulting firms, regarding both the selection of prospective candidates' process and the design of the new Directors' Remuneration Policy. No potential conflict of interest situations that might compromise the independence of such expert advisors have been identified.

6. Observance of guides

The Nomination Committee performs its duties duly observing GCG's Recommendations, the overarching principles and guidelines set forth in Technical Guide 1/2019 and the standards and existing best practices in the field of corporate governance.

The provisions of CNMV's Technical Guide 3/2017 on audit committees at public-interest entities and Technical Guide 1/2019 have been considered upon preparing this Annual report on the proceedings of the Nomination Committee.

7. Significant deviations

No significant deviations from the procedures on appointment adopted by the company have been noted in 2023, nor any irregularities in the field reported in writing to the Board of Directors.

8. Takeaways

Based upon the information herein reported, the membership and structure of the Nomination Committee, its organization and proceedings as well as the duties and powers carried out, are found to meet the internal regulations of the company and GGC Recommendations and are aligned with existing best practices in the field of corporate governance.

This has also been confirmed further to the review of Inditex's governance system carried out in 2023 on the advice of an external expert, in accordance with the indicators comprising the Good Corporate Governance Index ("IBGC") of the Asociación Española de Normalización y Certificación [*Spanish Association for Standardization and Certification*] ("AENOR"), version 2.0.

9. Date of issue

This report has been issued by the Nomination Committee on 11 March 2024 and approved by the Board of Directors on 12 March 2024.

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