



**Annual Report on the Proceedings of the
Nomination Committee
of Industria de Diseño Textil, S.A. (INDITEX, S.A.)
FY2021**

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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 by said committee pursuant to the provisions of Recommendation 6 of the Good Governance Code of listed companies, approved by resolution of the board of directors of the National Securities Market Commission of Spain (CNMV) on 18 February 2015 and amended in part 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.

2. The Nomination Committee: origin and evolution, regulations and composition

a. Origin and evolution

The current Nomination Committee originates in the defunct Nomination and Remuneration Committee. Following recommendation 48 GGC, the Board of Directors resolved in the meeting held on 9 June 2015 to split the Nomination and Remuneration Committee into two separate and newly formed committees: the Nomination Committee and the Remuneration Committee.

Subsequently, the Annual General Meeting held on 14 July 2015 approved the amendment to the Articles of Association in order to meet the latest regulatory development and adhere to GGC Recommendations, and consequently the split of the Nomination and Remuneration Committee into two separate committees was finally approved.

Since then, Inditex’s board of directors has been amending the company’s rules on corporate governance in line with the latest regulatory developments, recommendations and existing best practices in the field of corporate governance.

The terms of reference of the Nomination Committee were amended in 2019 for the purposes, inter alia, of aligning its provisions with the principles and recommendations set out in Technical Guide 1/2019.

The Nomination Committee’s Regulations were significantly amended in 2020 for the purposes of encompassing the changes made further to the partial review of GGC approved by CNMV’s board on 25 June 2020.

The proposal on the amendment of its terms of reference, raised by the Nomination Committee to the board of directors was approved on 8 June 2021. It sought to (i) align its provisions with Act 5/2021, of 12 April, amending the revised text of the (Spanish) Companies Act (LSC), approved by *Real Decreto Legislativo 1/2020*, of 2 July, and other financial regulations, as regards encouraging shareholders’ long-term engagement in listed companies; and (ii) relax the then existing system for board committees to hold meetings, expressly including the possibility of holding virtual-only meetings.

b. Regulation, duties and powers

Regulations

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

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

Mission and powers

The mission and powers of the Nomination Committee are provided 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 it is expressly assigned pursuant to statute and the Recommendations of the Good Governance Code, the Nomination Committee is entrusted with the following duties, without limitation:

- With regard to the selection of directors: (i) to issue a report on the Diversity of Board of Directors Membership and Director Selection Policy; (ii) to set a representation target for the least represented gender on the Board of Directors and to provide guidance on how to reach such target; (iii) to set up and review the criteria that must be adhered to regarding an appropriate composition and diverse board membership and the selection of prospective candidates; (iv) to ensure that, upon filling new vacancies or upon appointing new directors, selection procedures shall encourage diversity ensure the absence of any manner of discrimination, and shall follow merit-based approach; and (v) to be regularly apprised of the succession and career plans of Senior managers.

- With regard to the annual evaluation programme: (i) to establish and oversee an annual programme for evaluating the performance of the Executive Chairman, the CEO and board committees; (ii) to report on an annual basis to the board of directors on the performance of the Executive Chairman, the CEO and any other executive director; (iii) to propose an action plan or recommendation to amend potential weaknesses detected or to improve the operation of the board and its committees; and (iv) to assess the convenience of discussing with the directors the findings of their individual evaluations and, if appropriate, the measures to be adopted 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.

In the meeting held on 7 June 2021, the Nomination Committee gave a favourable report to the proposal on the amendment to the Diversity of Board of Directors Membership and Director Selection Policy, to bring it into line with Act 5/2021.

c. Composition

Structure

Pursuant to 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. 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, being eligible for re-election upon expiry of such term.

With regard to the composition of the Nomination Committee, the re-election of Mr José Arnau Sierra to the board of directors as non-executive proprietary director was approved at the Annual General Meeting held on 13 July 2021, on the proposal of the Nomination Committee.

Further to his re-election to the board, he will continue sitting on the Nomination Committee, pursuant to section 23.2 of the Board of Directors' Regulations. .

Consequently, the composition of the Nomination Committee as at 31 January 2022 is as follows:

Name	Position	Directorship type	Date of first appointment
Mr Emilio Saracho Rodríguez de Torres ¹	Chair	Non-executive independent	14-07-2015
Ms Anne Lange	Ordinary member	Non-executive independent	10-12-2019
Ms Pilar López Álvarez	Ordinary member	Non-executive independent	17-07-2018
Mr Echenique Gordillo	Ordinary member	Non-executive independent	14-07-2015
Mr José Arnau Sierra	Ordinary member	Non-executive proprietary	14-07-2015

As for the Secretary of the Committee, the board of directors acknowledged in the meeting held on 9 March 2021 the resignation tendered by Mr Antonio Abril Abadín, who stepped down as General Counsel and Secretary of the board and its committees, and approved, following a favourable report of the Nomination Committee, the appointment of Mr Óscar García Maceiras as new General Counsel and Secretary of the board and its committees.

At a later stage, the board of directors resolved in the meeting held on 29 November 2021, to appoint Mr Javier Monteoliva Díaz as General Counsel and Secretary of the board and its

¹ Mr Saracho was elected Chair of the Nomination Committee on 14 July 2015 and re-elected on 16 July 2019.

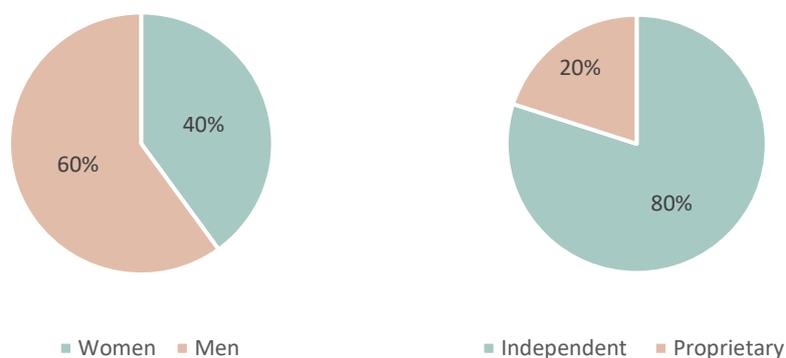
committees, replacing Mr García, whose resignation to the position was also acknowledged in such meeting.

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 statutory suitability requirements for the discharge of senior management functions.

Meanwhile, pursuant to section 5.1.2 of the Diversity of Board of Directors Membership and Directors' Selection Policy and section 10 of the Remuneration Committee's Regulations, the Board of Directors shall encourage a diverse membership on the committee as regards professional experience, competencies, personal skills, sector-specific knowledge 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 Remuneration Committee is shown in the graphs below:



Below is an overview of the experience, background and merits of members of the Nomination Committee:

- Mr Saracho is a highly experienced expert in the financial sector, both at domestic and international level. He has a sound knowledge of topics relating to business management and administration in highly performant companies, statement and review of financial statements, risk management, and construction and application of accounting standards.
- Ms Lange, a graduate of *Institut d'Études Politiques* and of *École Nationale d'Administration* (ENA), is an entrepreneur with a long career and extensive and proven experience in business management and strategy of companies in the sector of technological innovation and digital transformation. She has broad experience holding C-level positions and serving on boards of international entities of different sectors. Her experience in the public sector is also noteworthy.

- Ms López has extensive experience in management of companies in the financial sector and in particular of new technologies and IT services companies in different geographical markets, where she has held positions relating to enterprise risk management, financial oversight and corporate strategy.
- Mr Echenique has legal training and is a State Lawyer, currently on leave. His career spans the management and executive leadership of companies mainly in the banking sector. He also has extensive experience as company director in a large number of companies in different sectors.
- Mr Arnau is a State Tax Inspector currently on leave, and his area of expertise includes tax and financial advice, both in the public and the private sector. Furthermore, he has had a long career at the Inditex Group, where he headed the Tax Department, having also held different positions in the companies of Pontegadea Group, of which he has been the chief executive since 2001.

The CV of all the members of the Nomination Committee, with full information about their profile, experience and knowledge, is available on the corporate website (www.inditex.com).

3. Proceedings of the Nomination Committee: Meetings held, business transacted, reports and attendees

a. Proceedings

The Committee shall meet at least 3 times a year, and each time that its Chair calls it. The Chair of the Nomination Committee shall call it whenever the Board of Directors or its Chairman would request the issue of a report or the submission of motions, and at any rate whenever it is appropriate for the successful performance of its functions.

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, present or represented are in attendance. The committee may also pass resolutions in writing, without holding a meeting, pursuant to statutory provisions.

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 meetings to prepare committee meetings on specific topics apart from the formal meetings of the committee.

For the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee shall prepare an annual working plan, which shall include, at least, the specific objectives for the financial year and an annual schedule of ordinary meetings. The committee may rely on external advisors to duly perform the duties it has been entrusted with.

The Committee may 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 when the Committee so requests.

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

b. Activities: meetings held, business transacted, reports and attendees

The Nomination Committee held 5 meetings in 2021.

Directors' attendance rate, whether in person, or by proxy, at the meetings held in 2021 stands at 100%.

In 2021, the Nomination Committees held hybrid meetings (with some directors attending in person and others remotely). Videoconference or conference call systems were used to hold such meetings.

The average duration of committee meetings has been of approximately 1 hour, and its members allocated enough time for consideration and review of agenda items.

Attached hereto as [Appendix I](#) is the schedule of meetings held and business transacted by the Nomination Committee from 1 February 2021 through 31 January 2022.

4. Main action lines

In 2021, the main proceedings of the Nomination Committee have revolved around the following areas:

A. Proceedings relating to the appointment and removal of Directors and Senior Managers

In the meeting held on 7 June 2021, the Nomination Committee resolved to give a favourable report to the motion on the re-election of Mr José Arnau Sierra to the board of directors as non-executive proprietary director and member of the Executive Committee and all board committees.

The Committee had previously approved an explanatory report on the analysis of prior needs of the Board, for the purposes of the re-election of the above referred director, which was made available to shareholders on the corporate website together since the day the notice calling the Annual General Meeting was published.

The re-election of Mr José Arnau Sierra to the board was approved at the Annual General Meeting held on 13 July 2021

In the meeting held on 7 June 2021, the committee further: (i) acknowledged the resignation tendered by Mr Ramón Reñón Túñez from his position as Director General Adjunto al Presidente [*Deputy General Manager*]. This position is made redundant; and, (ii) gave a favourable report to the re-election of all members of the Social Advisory Board.

Finally, in the meeting held on 29 November 2021, the Nomination Committee:

- acknowledged the resignation tendered by Mr Pablo Isla Álvarez de Tejera from his positions as Chairman and member of the board of directors and the Executive Committee, effective as of 31 March 2022.

- Gave a favourable report to the proposal on the co-option of Ms Marta Ortega Pérez to the board as proprietary director and (non-executive) Chair, effective as of 1 April 2022
- Acknowledged the resignation tendered by Mr Carlos Crespo González, who stepped down from the board, where he was an executive director, and consequently, from his positions as CEO and member of the Executive Committee. The committee gave a favourable report to the motion on his appointment as COO & Head of Digital and Sustainable Transformation.
- Acknowledged the resignation tendered by Mr Óscar García Maceiras from his position as General Counsel and Secretary of the Board and its committees and gave a favourable report to the motion on his co-option to the board as executive director, as well as his appointment as CEO and member of the Executive Committee.
- With regard to the above referred motions, the Nomination Committee approved in said meeting the report on the prior analysis of board needs.
- Acknowledged the resignation tendered by Mr Javier Monteoliva Díaz from his position as Deputy Secretary of the board of directors and gave a favourable report to the motion on his appointment as General Counsel and Secretary of the Board and its committees; and
- Gave a favourable report to the proposal on the creation of a Management Committee and on its composition.

All the above referred proposals or reports, where appropriate, were approved by the board of directors in the meeting held on that same day.

The Nomination Committee played an active role in such orderly and planned process of succession of the Chair, having evaluated beforehand the needs of the Company, and the competences, knowledge and experience required by the board on account of the business complexity, the strategic priorities and the commitment undertaken by the board to encourage an appropriate and diverse membership. Likewise, it hired a provider of senior-level executive search consulting services specialising in corporate governance of listed companies to assist it in the search and assessment of prospective candidates to the position of Chair and CEO and to carry out a suitability analysis of prospective candidates.

B. Schedule of dates and agenda of business to be transacted

Pursuant to recommendations of CNMV's Technical Guide 1/2019, the Nomination Committee approved on 13 December 2021 the schedule of dates and agenda of business to be transacted by the Committee in 2022.

C. Annual Report on its Proceedings

The Nomination Committee issued the annual report on its proceedings on 7 June 2021. It was published in the 2020 Annual Report and is available on www.inditex.com.

5. Main relations of the Nomination Committee

a. With the General Meeting of Shareholders

The Committee reports to the General Meeting of Shareholders on the questions raised by the shareholders regarding matters that fall within its purview. The Chair of the Nomination Committee will appear at the General Meeting to this end.

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

b. With the Board of Directors

At the beginning of each meeting of the Board of Directors, the Chair of the Nomination Committee reports on the main business transacted and the resolutions passed in the last meeting of the Committee.

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

c. With board committees

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

d. With the Chair, the CEO and Senior Managers

For the purposes of allowing the Nomination Committee to be directly apprised of the major business concerns, the Committee has encouraged attendance at its meetings of the former Executive Chairman, the outgoing and the current CEO and the officers and heads of the business areas of the Company, so that they would explain their view on certain issues directly linked with its area of responsibility.

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

e. With the Lead Independent Director

Mr Echenique, Lead Independent Director, sits on the Nomination Committee.

f. With the Human Resources Department

In order to keep the Nomination Committee duly informed at all times, the Human Resources Department regularly apprises the Committee of the changes, if any, in the global talent management and career development programmes, and of the succession plans.

g. With external advisors

In order to receive assistance in the performance of their duties, non-executive directors may request that legal, accounting, financial or other experts be engaged at the Company's expenses. The assignment entrusted to such external advisors must necessarily address specific issues of certain weight and complexity that the above referred directors might face in the discharge of their duties.

In this regard, in accordance with Recommendation 36 GGC; Inditex has relied again in 2021 on consultant Spencer Stuart for advice on the self-evaluation process regarding the performance of the board of directors, its members and committees, including the Nomination Committee, the former Executive Chairman, the outgoing CEO, the then Secretary of the Board and the Lead Independent Director. Other than this specific engagement, Spencer Stuart has no business relationship with Inditex or with any company of its Group.

The Committee has been advised by Heidrick & Struggles, a HR consulting that specializes in corporate governance of listed companies, regarding the orderly and planned succession of the Chair and in particular regarding (i) the search and appraisal process of potential candidates to the positions of Chair and CEO; and (ii) the suitability analysis of candidates. The Committee has also relied on the advice of Uría & Menéndez law firm which has advised it on corporate governance and post-contractual non-compete obligations issues. Other than this specific advice, none of the above referred firms have a business relationship with Inditex or any other company of the Inditex Group.

6. Evaluation of the proceedings and performance of the board of directors, its members and the performance of committee members, the Executive Chairman, the CEO, the Lead Independent Director and the Secretary of the Board of Directors

Pursuant to the Board of Directors' Regulations and the Nomination Committee's Regulations and in line with Recommendation 36 GGC and section 7 of Technical Guide 1/2019, the Nomination Committee shall be responsible for overseeing and reviewing the annual programme for the evaluation of the performance of the board of directors, its members and committees, the executive directors, the Lead Independent Director and the Secretary of the Board. The Committee leads and coordinates the whole process.

In the meeting held on 13 December 2021, the committee approved the findings report and submitted it to the board of directors for approval. It was approved at the board meeting held on 14 December 2021.

The results of the global evaluation carried out in 2021 have been satisfactory as regards all areas assessed. In particular, with regard to the organization and proceedings of the board and its committees, the annual self-evaluation process is a very useful driver of the gradual implementation of required changes, such as:

- i) The improvement of the internal dynamics of the board and its committees as a result of:
 - The appropriate arrangement of board and committees' meetings, via the relevant schedule that allows to systematically arrange the agenda, topics and attendees.
 - In terms of agenda, it has also contributed to (i) greater commitment to strategy-related issues, and (ii) a gradual transformation of board debates and decisions, as topics related to sustainable management and accountability to stakeholders are gaining momentum.
 - An increasing interaction between directors and the officers of the group, as these latter are increasingly in attendance at board and committees' meetings.

- Directors are more regularly updated on business evolution without a need for formal meetings.
 - Headway has been made in providing the information earlier in advance as well as in terms of its quality, in the context of a continuous improvement process, allowing for a better preparation of meetings and for dedicating more time to debate.
- ii) Significant progress regarding directors' training schemes. In 2021, a new action plan was launched, which has been drafted considering directors' concerns and key elements pointed out in the annual evaluation.
 - iii) The process of evaluation of performance has been automated, as a result of which it has become more effective.
 - iv) The significant headway made in the dynamics of separate meetings held by independent directors under the helm of the Lead Independent Director, by identifying and speeding up changes in the areas subject to improvement identified.

It should be noted that in 2021 the findings of the annual evaluation for the previous year were also considered both in the different analysis of board needs carried out by the Nomination Committee in respect of the re-election and appointment of directors resolved in the year as well as in the suitability analysis commissioned by the committee and carried out by the external facilitator.

7. 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 and Technical Guide 1/2019 have been considered upon preparing this Report on the Proceedings of the Remuneration Committee.

8. Significant deviations

No significant deviations from the procedures on appointment adopted by the company have been noted in 2021, nor any irregularities in the field reported in writing to the Board of Directors.

9. Findings

Based upon the information herein reported, the composition and structure of the Nomination Committee, its organization and proceedings as well as the duties and powers it is entrusted with, are found to meet statutory requirements, the internal regulations of the company and the recommendations of GGC and are aligned with existing best practices in the field of corporate governance.

10. Date of issue

This report has been issued by the Nomination Committee on 6 June 2022.

MEETING DATE	MAIN BUSINESS TRANSACTED	INDITEX ATTENDEES ²
7 June 2021	<ul style="list-style-type: none"> - Explanatory report on the prior analysis of the competences required by the board needs. - Report on the motion to re-elect Mr José Arnau Sierra to the board of directors as non-executive proprietary director and to its committees. - Report on the motion to re-elect all members of the Social Advisory Board. - Report on the departure of a senior manager. - Report on the amendment to the Diversity of Board of Directors Membership and Director Selection Policy. - Report on the motion to amend the Nomination Committee's Regulations. - Report on the proceedings of the Nomination Committee. 	<ul style="list-style-type: none"> - General Counsel and Secretary of the Board.
13 September 2021	<ul style="list-style-type: none"> - Supervision of the annual programme for the evaluation of the performance of the board of directors and its members, the Executive Chairman, the CEO, the Secretary, the Lead Independent Director and board committees. 	<ul style="list-style-type: none"> - General Counsel and Secretary of the Board. - CEO.
29 November 2021	<ul style="list-style-type: none"> - Acknowledgement of the decision made by Mr Pablo Isla Álvarez de Tejera to resign his position as director and Chairman of the Board of Directors effective as of 31 March 2022, his exit from the company having been agreed by mutual consent. - Acknowledgement of the decision made by Mr Carlos Crespo González to resign his position as CEO, as he is slated to be 	<ul style="list-style-type: none"> - General Counsel and Secretary of the Board.

² Occasional attendee/s especially invited by the Committee for the consideration of agenda items were never present at the meeting whenever the business corresponding to the items on the agenda were subject to deliberation and put to vote.

	<p>appointed as Chief Operating Officer and head of Digital and Sustainable Transformation.</p> <ul style="list-style-type: none"> - Acknowledgement of the decision made by Mr Óscar García Maceiras to resign his position as General Counsel and Secretary of the board of directors and its committees. - Acknowledgement of the decision made by Mr Javier Monteoliva Díaz to resign his position as Deputy Secretary of the Board of Directors. - Report on the prior analysis of board needs regarding the appointment and ratification of directors. - Review of prospective directors with the assistance of an external consultant. - Co-option of a board member and motion on the appointment of Chairman of the board of directors. - Co-option of a board member and motion on the appointment of CEO. - Appointment of the COO and Head of Sustainable and Digital Transformation. - Appointment of General Counsel and Secretary of the board of directors and all its committees. - Formation of a Steering Committee to be included into the corporate organisation: composition and appointment of members. 	
<p>13 December 2021</p>	<ul style="list-style-type: none"> - Report on the annual evaluation of the performance of the Board of Directors, the Executive Chairman, the CEO, the Secretary, the Lead Independent Director, board members and board committees. - Schedule of dates and business to be transacted by the Nomination Committee in 2022. 	<ul style="list-style-type: none"> - General Counsel and Secretary of the Board.