

**REVISED TEXT OF THE INTERNAL REGULATIONS OF  
CONDUCT**

**REGARDING TRANSACTIONS IN SECURITIES**

**INDUSTRIA DE DISEÑO TEXTIL, S.A.**

**AND ITS CORPORATE GROUP**

**APPROVED BY THE BOARD OF DIRECTORS OF INDUSTRIA DE DISEÑO  
TEXTIL, S.A. ON 13 JUNE 2006**

*[This document is an in-house translation of an original in Spanish]*

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## 1. INTRODUCTION

The Board of Directors of Industria de Diseño Textil, S.A. (Inditex, S.A.) (hereinafter, either the “Company” or “Inditex”), during its meeting held on 11 December 2003, has passed, in compliance with the provisions of section 78 of the 24/1988 Act, of 28 July, governing the Stock Exchange [(*Ley reguladora del Mercado de Valores*), hereinafter, the “LMV”], in its writing given by the 44/2002 Act, of 22 November, on reform measures of the financial system, by 629/1993 Royal Decree, of 3 May, on regulations governing the stock exchanges and compulsory registries, and by 26/2003 Act, of 17 July, amending the 24/1988 Act and the 1564/1989 Legislative Royal Decree, with the aim of reinforcing transparency of quoted corporations, the following revised text of the “Internal Regulations of Conduct Regarding Transactions in Securities of Industria del Diseño Textil, S.A. and its Corporate group” (hereinafter the “IRC”).

## 2. DEFINITIONS

- 2.1 Directors: This refers to the members of the Board of Directors.
- 2.1 bis Senior Officers: This means any senior manager who may usually have access to inside information directly or indirectly connected with Inditex and who additionally, is competent to take the management decisions that affect the future development and the business perspectives of the issuer.
- 2.1 ter Other Officers: Provided that they are not included in the definition above, this definition means the general counsels who are not Board Members, legal counselors and officers of the companies that comprise the Inditex Group; other officers shall be understood as those officers who perform their duties directly reporting to the Board of Directors, the Executive Committees or the C.E.O., or who have management responsibilities on particular areas.
- 2.2 External Advisors: Those people who, not being included in the cases given above, render, in their own name or on behalf of another, to any of the entities that make up the Inditex Group, financial, legal, consulting or any other type of services that could involve access to Reserved Information.
- 2.3 CCO: This refers to the Code Compliance Office, the internal body of the Company, which amongst other tasks is entrusted with the function of complying with and enforcing compliance with the IRC. These functions are specified in section 10.1.
- 2.4 Confidential Documents: Every material, audiovisual or information technology medium that expresses or incorporates Reserved Information.
- 2.5 Inditex Group: This refers to Inditex and to all those subsidiaries and investee companies that are found with respect to the Company, in the situation foreseen in section 4 of the LMV.

2.6 Inditex / Company: This refers to Industria de Diseño Textil, S.A. (Inditex, S.A.), a company registered in the Mercantile Register of A Coruña, in volume 964, folio 17, page C-3342, domiciled at Avenida de la Diputación, Edificio Inditex, Arteixo, A Coruña, and with Fiscal Identity Code/ Fiscal Identity Number A-15.075.062.

2.7 Inside Information: Any information of a particular nature referring to Affected Securities and Instruments issued by the companies of the Inditex Group or to Inditex as issuer of those Securities that has not been made public, and that in case of becoming public or having been made public, could have or could have had an appreciable influence on the quotation of the Affected Securities and Instruments.

Information shall be deemed as specific if it concerns a series of circumstances that occur or whose occurrence may be reasonably expected or a fact which has taken place or which may be reasonably likely to take place, where this information is specific enough to possibly assess the effect of this series of circumstances or facts on the prices of Affected Securities or Instruments or, as the case may be, of the financial instruments regarding same.

Likewise, information shall be deemed to have a significant influence on the share price where this information might be that used by a reasonable investor as part of the reasons underlying their investment decisions.

2.8 Relevant Information: That whose knowledge may reasonably influence on an investor whenever he decides to purchase or sell Affected Securities or Instruments, and that, therefore, may considerably influence their quotation in a secondary market.

2.9 Reserved Information: This is the data and information with condition of being Reserved or Relevant Information, as well as that qualified as such by the CCO due to the Inditex Group having a legitimate interest of confidentiality on the same. Anyway, the periodic financial information of the Company that must be published quarterly, in accordance with provisions under section 35 of the LMV, shall be treated as Reserved Information during the process passed from its internal drawing up to its spreading.

2.10 Affected Persons: This refers to the people to whom the IRC apply and who are detailed in section 3.

2.11 Related Persons: Related persons are understood as being the following:

- a) The spouse of the Affected Person or any other person with similar relation of affectivity.
- b) The children who are dependant on him/her.
- c) Those other relatives who have been living with the Affected Person or are dependant on him / her at least for a year prior to the occurrence of the transaction.

- d) Any legal entities or any other trust in which the Affected Person or the persons described under the three paragraphs above hold an office, or are entrusted with the management thereof; or which is directly or indirectly controlled by the Affected Person ; or which has been set up in their interest; or whose economic interests are largely equivalent to those of the Affected Person.
- e) Third parties, understanding as such those who act in their own name but on the Affected Persons account. Those Persons whom the Affected Person fully or partially protects from the risks inherent in the transactions carried out shall be deemed to be Affected Persons.

2.12 IRC: This refer to the Revised Text of the Internal Regulations of Conduct of Industria del Diseño Textil, S.A. and its corporate group in matters relating to the securities markets, approved by the Board of Directors of the Company on 11 June 2006.

2.13 Affected Securities and Instruments:

- a) The equity and fixed-interest securities issued by entities of the Inditex Group that are traded in a secondary market, whether in Spain or abroad.
- b) The financial instruments and agreements of whatever type whatsoever that grant the right to acquire the aforementioned securities, including those that are not traded in a secondary market.
- c) The financial instruments and agreements, including those that are not traded in secondary markets, whose underlying objects are securities or instruments issued by entities of the Inditex Group.

**3. SUBJECTIVE SCOPE**

The IRC shall apply to the following people:

- a) Directors.
- b) Senior Officers.
- c) Other Officers.
- d) The personnel being part of the following departments: General Counsel's Office and Legal Service, Tax Advisory, Consolidation, , General Direction of Finances, Commercial Department, Capital Market and General Direction of Communication and Institutional Relationships.
- e) Any other employees who, in the opinion of the CCO, could have access to data and information over which the Inditex Group has a legitimate interest of confidentiality.

f) External Advisors.

The CCO shall maintain a General Documentary Register including all the Affected Persons, letting them know that they are subject to the IRC, as well as the infringements and sanctions arising, where applicable, of the improper use of the Reserved Information. Likewise, the CCO shall inform the Affected Persons that they are included on the General Documentary Register and of the other issues provided under Organic Law 15/1999, of 13 December, on the Personal Details Protection. Said Register shall cover the following issues:

- a) Surname and Name of the Affected Person, and the reason of their inclusion in the Register
- b) Initial position of Affected Securities and Instruments upon inclusion in the Register.
- c) Dates of setting and update of the list.
- d) The Register must be updated:
  - in case the reason why the Person was included in the Register should change
  - where new persons need be added
  - where any person included ceases to have access to Reserved Information.

The information included in the Register shall be kept at least for five years, as of the date of the inclusion or of the last update.

#### **4. TRANSACTIONS EFFECTED ON THEIR OWN ACCOUNT BY PEOPLE BEING SUBJECT TO THE IRC**

##### **4.1 Definition of personal transactions for the purposes of the IRC**

Personal transactions are those that the Affected Persons, or their Related Persons, attempt to carry out.

For the purposes of the paragraph above, transactions shall be understood as being any agreements whatsoever by virtue of which securities of the Company are acquired or are transmitted in spot transactions, forward transactions or future transactions, or by virtue of which acquisition or transmission rights (including options to purchase and sell) over the said securities are established, whether temporarily or definitively, in a restricted or unrestricted manner.

## **4.2 General principles of conduct in the carrying out of personal transactions**

- a) Compliance with the rules: All the Affected Persons have an obligation to comply with stock market regulations, procedures and rules established in these IRC in order to carry out their personal transactions.
- b) Transparency: The Affected Persons must provide all the information that could be relevant in relation to their personal transactions. They may only use intermediaries if the acting of such intermediaries and the scope of that acting are indicated.
- c) Maintenance of the investment: The Affected Persons may not sell the Affected Securities and Instruments until seven (7) trading days have passed since their acquisition, without prejudice to the provisions of paragraph 4.3.
- d) Communication regarding Related Persons: Directors and Senior Officers shall be bound to inform the CCO of the identity of the Persons Related with them, stating their surname and name, and their Tax Identification Number, as well as any required changes or additions to the list of Related Persons previously submitted.

## **4.3 Procedure for carrying out transactions in Affected Securities and Instruments**

### **4.3.1 Prior Authorization**

- a) Need for authorization: As a general rule, whenever an Affected Person or Related Person intends to carry out a personal transaction in Affected Securities and Instruments, the prior authorization of the CCO must be obtained.
- b) Written form: The Affected Persons shall have to apply, in writing and using the model established for this purpose by the CCO, for authorization for the transaction that they intend to carry out, indicating:
  - The person wishing to carry out the transaction, whether the Affected Person or a Related Person.
  - The type of transaction, with a description of its essential characteristics when it is a case of derivative financial instruments.
  - The number of securities or amount in money of the transaction.
  - The consideration, when it is not money in cash.
  - The chosen Intermediary to carry out the transaction.

- c) Period for authorization: The CCO shall have three (3) trading days to refuse authorization, impose special conditions on the intended transactions or, if it considers it appropriate, request the clarifications from the Affected Person that it considers necessary, in which case, the period will begin to be calculated as of the receipt of the clarifications. The CCO may also extend the aforementioned period for three (3) further trading days when there is just cause and the said extension is communicated to the Affected Person. If the periods have passed without an express decision, the application shall be understood to be accepted.
- d) Denial: The CCO may withhold the reasons that justify its denial of authorization for no longer than three (3) months. In addition to failure to meet the requirements indicated above in order to carry out personal transactions, the CCO may deny authorization when:
- There are reasonable indications that the applicant may have had access to Inside Information.
  - In any of the entities of the Inditex Group a decision has been taken or it is likely that a decision is going to be taken that could be the subject of a Relevant Information.
- e) Special conditions of the transactions: The CCO may set special conditions for the authorized transaction, such as, for example: postponing the date of the transaction until important agreements or decisions about the Inditex Group have been made public, extending the minimum period that the securities acquired must be kept, prohibiting the transaction from being carried out through certain intermediaries, etc., whenever it considers that this contributes to better compliance with the provisions of the IRC. These special conditions must be justified.
- f) Period to carry out the transaction: The Affected Persons shall have a period of ten (10) trading days in order to carry out the transaction authorized as provided in the above letter c), once this period has terminated, they shall file a new application of authorization.
- g) Transactions of the Code Compliance Officer subject to authorization: When transactions in Affected Securities and Instruments of the Code Compliance Officer require a prior authorization, in accordance with the provisions of paragraph 4.3.1, the power to grant the same is incumbent upon the Director of the Capital Markets Department.

#### 4.3.2. Exceptions to the prior authorization

By exception to what was foreseen in section 4.3.1., the prior authorization shall not be necessary when an Affected or Related Person intends to carry

out a personal transaction in Affected Securities and Instruments consisting of an amount in money less than 60,000 euro.

Notwithstanding the above paragraph, the prior authorization of the CCO shall be required whenever an Affected or Related Person carries out several transactions of the same nature in Affected Securities and Instruments, provided that each of the transactions does not exceed the limit of 60,000 euro, and all the transactions do exceed said limit of 60,000 euro over a period of seven (7) consecutive trading days.

#### 4.3.3. Post communication

All the Affected Persons shall file with the CCO, within the fifteen (15) calendar days after the end of each natural month during which they have carried out transactions in Affected Securities or Instruments, a comprehensive communication of all personal transactions carried out during said period, using the model which the CCO establishes for this purpose. When portfolio management as described in section 4.4.2.b) is concerned, a copy of the information on Affected Securities and Instruments facilitated by the portfolio manager should be filed quarterly with the CCO.

By exception, the Directors and Senior Officers of Inditex shall communicate any transaction that they carry out in Affected Securities and Instruments, as well as, when shares of the company are involved, communicating their participation direct or indirect resulting from said transaction, within 48 hours after the transaction has been carried out. The communication of Directors and Senior Officers shall adjust, as regards its scope, to the prevailing rules and regulations currently in force. The provisions of this paragraph are subject to the communication obligations to the CNMV and / or the Stock Exchanges imposed on Directors and Senior Officers.

#### 4.3.4. Close periods and special powers of the CCO

Without prejudice to the aforementioned and under no circumstances, shall the Affected and Related Persons carry out transactions in Affected Securities and Instruments within the three weeks period prior to communication by the Company of its quarterly, half and annual results to the CNMV and markets.

The CCO may decide the prohibition or compulsory submission to authorization of any transactions in Affected Securities and Instruments whatsoever by the Affected Persons over any other periods, when the concurrent circumstances so justify it.

#### 4.3.5. Transactions of the Companies' Directors and Senior Officers

Whenever the Company's Directors and Senior Officers intend to carry out transactions in Affected Securities and Instruments, the rules specified in the

previous paragraphs of the present section, shall be applicable, considering the following particularities:

- They shall let the CCO know, as soon as possible, their intention to purchase, sell or deal in Affected Securities or Instruments, detailing as much as possible the conditions of the transaction.
- They shall require prior authorization of the Code Compliance Supervisory Board, as referred to in section 10.1 of the IRC, (which shall substitute the usually required authorization of the Code Compliance Officer).
- They shall exclusively carry out transactions in affected securities within the (45) days following the date when the Code Compliance Officer lifts the close period for transactions in Affected Securities and Instruments issued under the previous paragraph 4.3.4 of the IRC, and after filing the quarter, half and annual results of the Company with the CNMV.

#### **4.4 Portfolio Management**

For the purposes of these IRC, the signing of a portfolio management agreement is of the nature of a personal transaction. Consequently, the following rules shall apply to the agreements signed directly by the Affected Person or by the Related Persons.

4.4.1 Information for the portfolio manager: The manager must be informed of the submission of the person to these IRC and to their content.

4.4.2 Agreements: Discretionary portfolio management agreements shall contain clauses establishing any of the following conditions:

- a) The manager is expressly prohibited from carrying out investment transactions in the Affected Securities and Instruments.
- b) That it is both absolutely and irrevocably guaranteed that the transactions are carried out without the intervention in any way whatsoever by the Affected Persons and therefore are exclusively under the professional criteria of the manager and in accordance with the applied criteria for the majority of the clients with similar financial and investment profiles.

In any event, the regime of communication or authorization, as appropriate, foreseen in point 4.3 above shall apply to those transactions in Affected Securities and Instruments that in the frame of the discretionary portfolio management may require the express written authorization of the Affected Person, falling upon this person the compliance with the obligations set forth in said regime.

4.4.3 Authorization: Those people who intend to enter into an agreement for discretionary portfolio management must apply for prior authorization from the CCO, which will verify that the provisions of the previous paragraph are met or, where appropriate, that the specific regulations be applied. The refusal shall be justified.

4.4.4 Prior agreements: Those agreements entered into prior to the entry into force of the IRC must be adapted to the provisions hereof. Until the said adaptation is done, the Affected Persons shall order the manager to not carry out any transactions whatsoever in the Affected Securities and Instruments.

## **5. DECLARATION OF CONFLICTS OF INTEREST**

### **5.1 General principles of conduct of the people subject to conflicts of interest**

- a) Independence: Interests other than those of the Inditex Group must at no time, condition their conduct.
- b) Abstention: They must abstain from intervening or influencing the taking of decisions that could affect people or entities with which conflict exists.
- c) Confidentiality: The people subject to a conflict of interests shall abstain from accessing confidential information that affects the said conflict.

### **5.2 Declaration of conflict**

The Affected Persons shall undertake in writing to act independently in their activities and to make known to the CCO, using the standard model that is established for this purpose, those conflicts of interest to which they are subject due to their activities outside the Inditex Group, their family relationships, their personal property, or for any other cause with:

- a) Suppliers, external workshops not being part of the company and significant contractors for goods or services, or their Directors and general proxies
- b) Agents and franchisees of the Inditex Group, or their Directors and general proxies
- c) People who are engaged in similar or analogous activities to those of the Inditex Group and that compete with the Inditex Group in the same markets.
- d) External advisors and suppliers of professional services of the Inditex Group.

## 6. OBLIGATIONS AND DUTIES IN RELATION TO INSIDE INFORMATION

The Affected Persons who are privy to Inside Information must abstain from executing on their own account or on the account of third parties, directly or indirectly, any of the following actions:

- a) Preparing or carrying out in the market any type of transaction in Affected Securities and Instruments to which the Inside Information refers, or in any other financial Security or Instrument of any type whose underlying objects are Affected Securities or Instruments to which the Inside Information refers. An exception are the preparation and carrying out of transactions, whose existence constitutes on its own Inside Information, as well as those transactions carried out complying with an obligation, out of force, of obtaining or handing over Affected Securities or Instruments, when this obligation is foreseen in an agreement celebrated previously to the Affected Person being in possession of the Inside Information, or any other transactions carried out in accordance with the applicable regulations.
- b) Communicating said information to third parties, unless in the normal performance of their work, profession or office.
- c) Recommending to a third party the acquisition or transferring of securities, or that another person should acquire or transfer them, basing themselves on the aforementioned information.

## 7. MANAGEMENT OF RELEVANT INFORMATION

### 7.1 General Principles of Conduct of the Inditex Group with regard to Relevant Information

The conduct of the entities that make up the Inditex Group and of all those people having access to information that could constitute Relevant Information must comply with the following principles:

- a) Compliance with the rules: All the Affected Persons are obliged to know and comply with the rules and internal procedures that are applicable.
- b) Transparency: The Inditex Group desires the greatest transparency in the information to be supplied to the market in order to contribute to the correct formation of the price of the Affected Securities and Instruments.
- c) Collaboration: All the Affected Persons must collaborate with the supervising and governing authorities of the markets, and also with the CCO.
- d) Information: The information supplied to the market must be reliable, clear, quantified and complete, avoiding subjective evaluations that could lead or may lead to confusion or deception. Its communication to the CNMV shall

be made before its communication to any other media and as soon as the fact is known, the decision is taken, the agreement is signed or the contract with third parties is negotiated.

- e) Confidentiality: All the Affected Persons must keep the Relevant Information confidential and comply with the internal procedures that are established. Under no circumstances are the Affected Persons, except those who are expressly granted the said power, authorized to adopt by themselves any measures whatsoever in relation to the Relevant Information, even though they believe themselves to be acting to the benefit of or in the interest of the entities that make up the Inditex Group.
- f) Neutrality: Whenever possible, the Relevant Information and the periodic public information have to be made public once the Stock Exchange has closed its session in order to avoid distortions in negotiations.

## **7.2 Monitoring of the quotation and premature or partial publishing**

7.2.1 Monitoring of the quotation: During the phase of study or negotiation of any type of legal or financial transaction that could constitute Relevant Information, the Financial Director and the Director of the Capital Markets Department of the Company will monitor, with particular attention, the quotation of the Affected Securities and Instruments. If an unusual oscillation should occur in the quotation or in the trading volume of the Affected Securities and Instruments, they shall immediately inform the Chairman, the Deputy Chairman, the Chief Executive and the Secretary of the Board of Directors who, where necessary and if there are reasonable indications that said evolution is taking place as a consequence of a premature, partial or distorted diffusion, shall take the appropriate steps, diffusing immediately a communication of Relevant Information that must inform, in a clear and precise way, about the stage in which the ongoing transaction is at that moment or include a preview of the information to be submitted.

7.2.2 Premature or partial publishing: In the same way, during the phase of study or negotiation of any type of legal or financial transaction that may constitute Relevant Information, the Financial Director and the Director of the Capital Markets Department of the Company shall monitor, with particular attention, the news relating to the Company being broadcasted by professional diffusers of economic information and by the media. In the event that, before the transaction is agreed upon, the plans of the Company should come to written media's notice or to that of the professional diffusers of financial information, they shall proceed in the same way as described in the previous paragraph.

7.2.3 Prohibition of market manipulation: Affected Persons shall refrain from preparing or conducting practices that falsify the free price formation of Affected Securities and Instruments, such as:

- Issuing orders or conducting transactions in the market that give or may give false or misleading signals as to the offer, demand or price of the Affected Securities or Instruments.
- Issuing orders or conducting transactions that would secure, by one or more persons acting in collaboration, the price of one or several Affected Securities or Instruments on an abnormal or artificial level, unless the person who had conducted the transaction or issued the orders would prove their lawful reasons and that the same adjust to the accepted practices in the market in question, as well as the action of one or more persons acting in collaboration to secure a prominent position over the offer or demand of an Affected Security or Instrument resulting in the direct or indirect formation of purchasing or selling prices or other non equitable conditions.
- Issuing orders or conducting transactions that would employ fictitious devices or any other form of deception or contrivance, as well as the sale or purchase of an Affected Security or Instrument upon close of the market, with the effect of misleading investors who act on the basis of share prices at close of market.
- Disseminating information, through the media, including the Internet, or by any other means, which gives or is likely to give false or misleading signals as to the Affected Securities and Instruments, including the dissemination of rumors and false or misleading news, where the person disseminating them was or should have been aware that the information was false or misleading.
- Taking advantage of the occasional or regular access to the media, whether traditional or electronic, expressing a view on the Affected Securities and Instruments or indirectly on the issuer thereof, after having taken positions on the Affected Security or Instrument and having benefited from the repercussions of the view expressed on the price of said Affected Security or Value without having simultaneously informed the public opinion of this conflict of interest in the right and effective manner.

The following transactions or orders shall not be deemed to be hereunder included:

- Transactions which originate in the schemes to buy back own shares conducted by the Company, provided that the statutory conditions to conduct them are met; and,
- Generally, those transactions conducted pursuant to the applicable rules and regulations.

### **7.3 Procedure for broadcasting Relevant Information**

Relevant Information may be made known to the CNMV by the General Counsel or, in his absence, by the Director of the Capital Markets Department of Inditex or the person that any of these people should appoint, informing the CCO, within the time limits and in accordance with the procedures established in the regulations in force. Likewise, the communications on Relevant Information shall be accessible through the link on governance and corporate information in the web page of the Company, as soon as it is made known to the CNMV.

### **7.4 CCO Supervision**

The CCO shall ensure that the Affected Persons, with access to the information that could constitute Relevant Information, fulfill the rules contained in the previous sections of the present document

## **8. CONFIDENTIALITY OF RESERVED INFORMATION**

### **8.1 General Principles relating to confidentiality of Reserved Information**

- a) Compliance with the Regulations: All the Affected Persons must know and enforce the internal regulations and procedures that are established in connection with the confidentiality of the Reserved Information.
- b) Active duty of secrecy: The Affected Persons shall ensure at all times that the Reserved Information to which they have had access on account of their duties is duly safeguarded.
- c) Legitimate right: The only people who must be allowed to access Reserved Information are those needing to know said information due to the duties they perform.
- d) Special Documentary Register: For each plan or transaction constituting or generating Reserved Information, the CCO shall keep a documentary register in which the following items shall be entered: I) the identity of people, whether employees or, as far as it may be aware, individuals outside the Company that work for it under an employment agreement or otherwise, who have access to the Reserved Information; ii) the reasons why they have been included on the list, and; iii) the dates of setting up and update of the list Said register shall be updated: I) in case the reason why the Person was included in the Register should change; ii) where new persons need be added to the list, and) iii) where any person included ceases to have access to Reserved Information.

The information included in the Register shall be kept at least for five years, as of the date of the inclusion or of the last update.

- e) Limited access: The number of people accessing Reserved Information shall be limited to the maximum. When information has to be revealed to other people, the receptors shall be expressly warned that said information is confidential and that they are initiated, and also that they are included in a documentary register managed by the CCO, to which the previous paragraph refers to, and shall be informed of the infringements and sanctions arising out of the improper use of the Reserved Information, and of the other issues provided under Act 15/1999 of 13 December, on the Personal Details Protection.

## **8.2 Confidentiality Control Mechanisms**

- 8.2.1 Access restrictions to certain areas or information: The areas or departments that have Reserved Information that must be kept in strict confidentiality and that the CCO determines, shall not allow access to their registries, files and computer systems to any person that is not part of said department, unless he / she has the authorization of the director of the usual decision procedures, which have been previously established by the Company's management.

The CCO shall be able to establish measures to ensure the confidentiality of the departments or areas that it deems convenient in order to improve compliance with those provisions of the previous paragraph.

- 8.2.2 Treatment of Confidential Documents: The Affected Persons having Confidential Documents shall act with diligence in their use and handling, being held responsible for their custody and preservation and for keeping their confidentiality.

In particular, and without prejudice to any additional measures taken by the CCO, the following rules shall be observed in order to handle Confidential Documents:

- (a) Documents marking: All the Confidential Documents shall be marked with the word "Confidential" and shall indicate their restricted use. When it comes to computer support, their confidentiality shall be marked before accessing the information.
- (b) Filing: The Confidential Documents shall be kept in differentiable places, and premises, closets or computer supports shall be allocated for this purpose, which must provide special protection measures.
- (c) Reproduction: The reproduction of Confidential Document requires the prior authorization of the people responsible for the custody of the mentioned document.
- (d) Distribution: The distribution of Confidential Documents shall be preferably made in hand when they are in paper support. When this is not possible, protection measures shall be stepped up. If their

distribution is carried out by computer means, exclusive access for addressees shall be guaranteed.

8.2.3 The commitment to confidentiality of External Advisors: The access to Confidential Documents on behalf of the External Advisors shall require the previous signing of a commitment to confidentiality. In which commitment not to reveal any Reserved Information shall be clearly established.

## **9. REGULATIONS IN RELATION TO COMPANY TRANSACTIONS IN TREASURY STOCK**

### **9.1 Specifying of the company's treasury stock transactions being affected by the IRC**

Treasury stock transactions shall be understood as being those that are carried out in shares issued by entities of the Inditex Group and derivative instruments whose underlying objects are the said shares.

Transactions may be carried out:

- a) Directly by Inditex or other entities of the Inditex Group.
- b) Indirectly, through third parties receiving express or tacit mandate.
- c) By third parties who, without having received a mandate, act with the same objectives.

### **9.2 Policy with regard to treasury stock**

Within the scope of the authorization granted by the General Meeting, the determination of specific plans for acquisition or disposal of treasury stock is incumbent upon the Board of Directors.

### **9.3 General principles of conduct in company's transactions in treasury stock**

The management of the company's treasury stock shall be governed by the following principles of conduct:

- a) Compliance with the regulations: All the Affected Persons are obliged to know and comply with the established regulations and the internal procedures that are applicable.
- b) Aim: Company's transactions in treasury stock shall have as their fundamental aim the provision of adequate volumes of liquidity and an adequate price range for the securities and the minimization of the possible

temporary imbalance that could exist between the supply and demand in the market. Under no circumstances shall the transactions be the result of an intention to intervene in the free process of price formation.

- c) Transparency: Transparency shall be endeavored in the relations with the supervisors and the governing bodies of the markets in relation to the company's transactions in treasury stock.
- d) Non-use of Inside Information: Under no circumstances may transactions in the company's treasury stock be carried out by people having had access to Inside Information about the Affected Securities and Instruments.
- e) Neutrality in the formation of the price: Acting must be neutral and, under no circumstances, may dominant positions of market power be held.
- g) Intermediary: The companies forming part of the Inditex Group shall channel all their transactions in shares in the Company through a limited number of members of the market.
- h) Counterpart: The companies forming part of the Inditex Group shall abstain from carrying out purchase and sale transactions in shares of the Company, in which the counterpart is any of the following people or entities: (i) companies of the Inditex Group, (ii) their directors, (iii) their significant shareholders or (iv) intermediaries of any of the aforementioned. Likewise, the companies forming part of the Inditex Group shall not simultaneously maintain buy and selling orders in the Company's shares.
- i) Limitation: During procedures of public offerings to sell or takeover bids to buy shares of the Company, and merger procedures or other similar corporate transactions, no transaction shall be carried out over the same, unless the contrary is expressly foreseen in the prospectus of the ongoing transaction. Likewise, the Company shall refrain from carrying out treasury stock transactions during the close periods referred to in section 4.3.4 of these IRC.

#### **9.4 Option plans**

Without prejudice to the foregoing, the rules contained in articles 9.1 to 9.3 of this Code shall not apply to transactions carried out in order to buy the Company's own stock and subsequently transfer it to the beneficiaries of the option plans over the Company's own shares ("*Stock Option Plans*") being approved by the Board of Directors, nor to the rest of transactions in own shares that the Company carries out in the frame of a program of re-buying of shares. Said transactions shall be carried out, complying with the particular characteristics of this type of transactions, in the manner and with the peculiarities established by the Board of Directors upon approval of the mentioned plans, which shall observe the conditions contained in the provisions enforcing section 81.4 of the LMV.

## **9.5 Designation and functions of the Department responsible for the management of the treasury stock**

9.5.1 The Capital Markets Department is hereby held responsible for the management of the treasury stock.

9.5.2 Special commitment to confidentiality: The people who form part of the Department for management of treasury stock must assume a special commitment to confidentiality in relation to the treasury stock strategy and transactions.

9.5.3 Functions: The Department is responsible for:

- a) Managing the treasury stock according to the general principles established in these IRC and to those determined by the governing bodies of the Inditex Group.
- b) Monitoring the evolution of the securities of the Inditex Group, and for informing the CCO on any significant variation in the quotation that cannot be reasonably attributed to the movements of the market.
- c) Maintaining a file of all the transactions ordered and carried out for treasury stock transactions at the disposal of the CCO and of the Board of Directors or of people appointed by this body.
- d) Establishing relations with the supervisory bodies that are necessary for the proper development of the provisions of these IRC.
- e) Drafting a quarterly report, also whenever it is required to do so, about the activities of the department.
- f) Informing the CCO of any significant incident happening during the management of the treasury stock.

## **10. CODE COMPLIANCE SUPERVISORY BOARD AND CODE COMPLIANCE OFFICE**

### **10.1 Code Compliance Supervisory Board (CCN)**

10.1.1 Composition: A Code Compliance Supervisory Board is created directly reporting to the Audit and Control Committee of the Board of Directors of Inditex, which shall be made up of people performing the from time to time positions of Chief Executive Officer, who shall be its Chairman, of General Counsel, Capital Markets Director and Director of Human Resources.

10.1.2 Functions: The Code Compliance Supervisory Board shall perform the following duties:

- (a) Develop the procedures and rules of development that are considered appropriate to improve the application of the IRC.
- (b) Promote knowledge of these IRC and the rest of the rules of conduct of the securities markets amongst the Affected People.
- (c) Interpreting the rules contained in the IRC and solve the doubts or questions that are raised by the people to whom the same applies.
- (d) Propose to the Audit and Control Committee the amendments and improvements to the IRC and ongoing regulations that it considers appropriate.

10.1.3 Meetings: The Code Compliance Supervisory Board shall govern its own functioning and shall meet whenever the Chairman convenes it, being able to take resolutions in writing without having to meet.

The CCN shall be validly constituted whenever half of its members are in attendance, in person or by proxy, and shall adopt its resolutions by a majority vote of members attending, in case of a tie, the casting vote of the Chairman shall decide.

The Committee members shall refrain themselves from attending to or intervening in deliberations affecting transactions in which they are personally interested.

10.1.4 Obligation to inform: The Code Compliance Supervisory Board must inform, at least every six months, whether agreed by said body or required by the Board of Director's Control Committee, on the steps taken to promote knowledge and ensure observance of the provisions of the IRC, of the approved regulations of the IRC and of the principal interpretative questions raised, as well as on the reports presented by the Code Compliance Officer.

## **10.2 Code Compliance Office (CCO)**

10.2.1 Creation: Reporting to the Code Compliance Supervisory Board, a body called the Code Compliance Office (CCO) will be created, which shall be directed by the Code Compliance Officer, a position which shall be held by the General Counsel of the Inditex Group,

10.2.2 Functions: the following functions are incumbent on the CCO:

- a) Those that are expressly established in the corresponding sections of the IRC.

- b) To observe and enforce observance of rules of conduct of the securities markets and the rules of the IRC, its procedures and further additional regulations, whether present or future.
- c) To keep a file with the communications referred to in the IRC.
- d) To keep a list of the people who have knowledge of the Reserved Information and to design the procedures that are needed for them to be permanently up-to-date.
- e) To keep a list of Affected Securities and Instruments for information purposes.
- f) To conduct disciplinary proceedings for non-compliance with the present IRC's rules of the Affected Persons; the supervisor of the Code Compliance shall conduct said proceedings.

#### 10.2.3 Powers of the CCO:

- a) To require any detail or information that it considers necessary from the Directors or employees of the entity, including those to whom the IRC does not apply.
- b) To establish the information requirements, monitoring regulations, etc., considered appropriate.
- c) To appoint people to be responsible for the observance by the departments or entities of the Inditex Group of the IRC, assigning to them the specific duties that it considers necessary.

10.2.4 Obligation of information: The CCO, as a minimum quarterly and provided that it considers it necessary or that it is required to do so, shall inform the Code Compliance Supervisory Board about the steps taken in order to ensure the observance of the provisions of these IRC, about its degree of observance and about the incidents that have occurred. The reports must mention at least:

- a) The incidents in the updating of the lists of Affected Persons and Securities and Instruments.
- b) The incidents in relation to the personal transactions.
- c) Files opened during the period in relation to the matters regulated in the IRC.

The Code Compliance Supervisory Board shall take reports presented by the CCO and raise them to the Audit and Control Committee, so that this latter is aware of the same.

## **11. VALIDITY AND NON-COMPLIANCE**

### **11.1 Validity**

The revised text of the IRC will enter into effect on the day of its passing.

### **11.2 Non-compliance**

Failure to comply with the provisions of the IRC shall be considered a misconduct, whose seriousness shall be determined in the procedure followed in accordance with the provisions in force.

The above shall be understood to be without prejudice to the administrative (deriving from the LMV and other applicable rules), civil or criminal responsibility that, in each case, is enforceable on the non-observer.

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