Marta Ortega to earn a one million euro annual salary as president of Inditex

By Triana Alonso  -  23 March 2022

The Galician fashion group provided details about Marta Ortega's new role, effective April 1. It will be then when the youngest daughter of the conglomerate's founder, Amancio Ortega, the fruit of his second marriage to Flora Perez, will be officially promoted to the position of non-executive president of the company. This strategic move follows the exit of Pablo Isla, president until the end of March, who will abandon his responsibilities after 17 years in the company. The newly appointed CEO, Óscar García Maceiras, will accompany Ortega in her new stage at the head of the group.

In the latest documents filed by the company to the National Securities Market Commission (CNMV), Inditex provided details regarding the responsibilities of Amancio Ortega's heiress, which until now had been limited to a general description of her "non-executive" presidency, maintaining her strong involvement in the core of the group's flagship brand, Zara.

“In addition to the inherent functions as chair of the board, the chairwoman of the Board of Directors (non-executive) of Inditex will have under her direct responsibility the areas of internal audit, general counsel, board secretariat, and communication", stated the company based in Arteixo in its annual directors remuneration report, detailing that the appointment by co-option occurred to "cover the vacancy caused by Mr. Pablo Isla Álvarez de Tejera’s resignation". With 15 years of experience in the company, Ortega will have direct responsibility for the areas of internal audit, general counsel, board secretariat, and communication.

The new president of the group will pocket a salary of one million euros a year.
In that same document, Inditex disclosed that these responsibilities will provide Ortega Pérez with an overall salary of one million euros per year. A portion of this fixed compensation comes from the 900,000 euros endowed to the chair of the board position which will be added to the annual salary set for all directors of 100,000 euros.

As the fashion company argued in the report, this remuneration is based on "the intrinsic value of the person holding the position, due to her knowledge of the retail business in the fashion sector and of the Inditex group, where she has developed different roles and functions, and her importance from an institutional perspective", as well as on "the exclusive and additional dedication with respect to the members of the board of directors."

Furthermore, Inditex argued that although the percentage of female representation in the board of directors at the end of fiscal year 2021 stood at 36.36%, the appointment of Ortega effective April 1, 2022, will raise this percentage to 45.45%, with a total of five women on the board, exceeding "the target of 40% set for 2022". Likewise, the company increased the majority of non-executive directors to 90.9% and has strengthened the presence of profiles "with extensive experience and knowledge of the company, the group and the retail sector, as well as expertise in areas such as digital transformation and ESG."

According to the Galician company, the generational handover, which also took place with the appointment of García Maceiras as CEO last November, contributed to "significantly reduce the average age of the directors and their average length of service in the position".

In the 2021 financial year, the fashion conglomerate that groups together the brands Zara, Bershka, Stradivarius, Pull&Bear, Oysho and Massimo Dutti increased its sales by 36% to 27,716 million euros, a turnover 2% lower than that recorded in 2019.

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