

COSENTINO	COMPLIANCE FUNCTION	Version 3
	COMPLIANCE FUNCTION STATUTE	Edition: 25th November 2024

COMPLIANCE FUNCTION STATUTE

SUPERVISED BY
Compliance Body
Date: January 2022
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Date: November 2024

APPROVED BY
Board of Directors
Date: October 2022
Date: October 2023
Date: December 2024

The original document, approved by the Company's Board of Directors on the date indicated above, is safeguarded by the *Compliance Body*.

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1. Purpose and Scope

The present Statute of the Compliance function (the “**Statute**”) aims to establish the operating rules, composition, and main functions and responsibilities attributed to the Compliance function (the “**Compliance Body**”) of **COSENTINO, S.A.** and its subsidiaries (collectively referred to as “**COSENTINO**”).

The functions of the Compliance Body extend, among others, to the supervision of compliance with the Code of Ethics, Conduct, and Regulatory Compliance, as well as the control and prevention of risks susceptible to criminal investigation within the Company. Additionally, it extends its competencies to other matters that, without constituting criminal offenses, may be classified as other infringements of the Regulatory Compliance System and risk prevention (the “**Regulatory Compliance System or Compliance System**”) implemented at **COSENTINO** (regulatory infringements -additional to those contemplated in the criminal sphere-, ethical and non-legal infringements; or infringements of the Company's internal regulations).

For the purposes of this Statute, the “**Obligated Subjects**” will be interpreted according to the definitions contained in the Code of Ethics, Conduct, and Regulatory Compliance.

In accordance with the provisions of this Statute, which enjoys the highest regulatory rank at the internal level, the Compliance Body will exercise its functions and responsibilities within the scope of the Company and its subsidiaries; and over its administrators, executives, employees, collaborators, and third parties dependent on the Company (the “**Obligated Subjects**”).

This Statute will be duly updated when the applicable regulations so require, or at the request of the *Compliance Body* when it is necessary to do so due to a specific need. Subsequently, it will be approved by the Company's Administration Body through an agreement.

2. The Compliance Body

2.1 Justification of the changes introduced in the governing bodies in terms of Compliance

The first agreements of the Board of Directors regarding the implementation of the Compliance System date back to 2010. Since then, the Board of Directors of the group's parent company has shown its determination in adopting the necessary agreements for the effective implementation of regulatory risk control and management policies. It has been adopting agreements in coherence with COSENTINO's needs. Thus, regarding this reform related to the change in the composition of the Compliance Body, due to: (i) the needs arising from successive regulatory promulgations from national and community legislators **in the search for an autonomous and independent body**; (ii) the search for **efficiency in the better functioning of the Compliance System**; (iii)

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avoiding conflicts of interest and duplication of actions or functions; explain the motivation for the same.

Thus, maximum efficiency is evidenced by the willingness to avoid duplications where COSENTINO's corporate governance scheme allows unifying bodies with delegated functions in regulatory compliance -or Compliance- thus serving the purpose of offering the recipients of the System a simple and effective model with a single Compliance Body, with sufficient professional qualifications to respond to the increasing complexity of this matter.

At this time, and in accordance with the aforementioned, the tested maturity of COSENTINO's model advises its evolution towards a single-person body -Chief Compliance Officer- directly dependent on the Board of Directors of the group's parent company, periodically reporting to the Delegated Audit and Control Committee, and capable of effectively receiving and processing communications related to behaviours that essentially violate the principles of the System.

These issues have therefore invited us to reflect on the existing governance model in Compliance matters and to consider the modification of the Compliance Body and the review of its functions.

2.2 Composition. Appointment, Term and Remuneration.

- 2.2.1. Composition: The Compliance Body is constituted as a single-member body, which will be formed by the *Chief Compliance Officer* (Compliance Director).

The appointment of the Chief Compliance Officer will be formalized through an agreement of the Company's Board of Directors ("**BoD**"), and the acceptance of the position will be carried out either through a letter addressed to the same Board or by signing the corresponding minutes of decisions or agreements of the Board.

In case of temporary vacancy, absence, or illness of the *Chief Compliance Officer*, they will be temporarily replaced in their functions by designation of the Company's Board of Directors for this purpose.

Additionally, other managers and directors of the Company's departmental units, as well as external experts, may assist the *Chief Compliance Officer* when the order of matters to be addressed so requires, upon prior summons by the *Chief Compliance Officer*.

- 2.2.2. Functional Relationship. Autonomy and Independence: The Chief Compliance Officer functionally depends on the Company's Board of Directors, reporting periodically to the Delegated Audit and Control Committee. However, the Chief Compliance Officer has autonomous powers of initiative and control to perform their functions and assume their responsibilities in accordance with this Statute, as well as with the policy and procedure for managing the Internal

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Information System, without prejudice to the collaboration and information provided to the Company's Board of Directors.

- 2.2.3. Appointment: The BoD, following a report from the Delegated Audit and Control Committee and the Delegated Appointments and Remuneration Committee, will appoint the Chief Compliance Officer.
- 2.2.4. Term: The Chief Compliance Officer will be appointed by the Company's BoD indefinitely, without prejudice to the power of the Company's BoD to proceed at any time with the dismissal through a motivated decision or agreement of said body, following a report from the Delegated Audit and Control Committee.
- 2.2.5. Remuneration: The position of Chief Compliance Officer will be unpaid. Notwithstanding the above, the Chief Compliance Officer will be entitled to reimbursement of any reasonable expenses duly justified that are directly related to the performance of their duties. The provisions of the previous paragraph will be compatible and independent of the payment of fees or salaries that may be accredited to the Company for the provision of services or employment relationship, as the case may be, originating from a contractual relationship other than that derived from the position corresponding to Chief Compliance Officer, which will be subject to the applicable legal regime.
- 2.2.6. The Chief Compliance Officer will have a clause inserted in their employment contract that prevents the Company from taking disciplinary measures for the diligent exercise of their functions inherent to the compliance role.

2.3 Reasons for abstention or recusal

The *Chief Compliance Officer* must abstain and, failing that, may be challenged by agreement of the Delegated Audit and Control Committee when any of the following circumstances arise:

- (a) having a kinship relationship up to the third degree with any of the parties involved (i) in the Company's internal investigation procedures or (ii) in the decisions or agreements that must be made as a result of their responsibilities.
- (b) being married to or maintaining an affective relationship, even without cohabitation, with any of the parties involved in (i) the facts to be investigated by the Company or (ii) in the decisions or agreements that must be made as a result of their responsibilities.
- (c) being a party to the facts investigated or to the decisions or agreements that must be made as a result of their responsibilities.
- (d) being the immediate hierarchical superior in the chain of command of the departmental unit where the facts or conduct to be investigated have taken place;

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- (e) having a notorious friendship or enmity relationship with any of the persons involved in the facts or conduct to be investigated.

3. Functions

The *Chief Compliance Officer* will have the following responsibilities and functions:

3.1 General Function

In general, it has the function of supervising the functioning and compliance of the Regulatory Compliance System implemented by the Company and approved by the BoD; as well as promoting a culture of compliance, which must be strict in the face of the existence of illegal activities of any kind, as well as demanding in the fulfilment of the basic principles of responsible behaviour of all COSENTINO professionals.

3.2 Specific Functions

Specifically, and without limitation, the functions of the *Chief Compliance Officer* will be as follows:

- (a) establish the annual work plan for the Compliance function, including the training and communication plan;
- (b) prepare the annual report of Compliance activities for presentation to the BoD, following a report to the Delegated Audit and Control Committee;
- (c) ensure the involvement of all Obligated Parties in complying with the Code of Ethics, Conduct, and Regulatory Compliance and the prevention systems, to achieve an adequate connection of the Regulatory Compliance System approved by the BoD in relation to the Company's activities;
- (d) promote the necessary training plans for the establishment and updating of (i) the Code of Ethics, Conduct, and Regulatory Compliance, (ii) the Compliance Manual, and (iii) other procedures, protocols, policies, and mechanisms for the prevention and control of illicit acts established by the Company;
- (e) urge the review and correction of possible organizational defects in the prevention of regulatory risks when there are indications of their existence to prevent irregularities from being committed under their protection;
- (f) identify the Company's activities in which compliance risks may materialize and need to be prevented and managed;

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- (g) analyse compliance obligations and risks considering the causes and sources of possible non-compliance, as well as the severity of their consequences and the likelihood of their occurrence;
- (h) promote and ensure the effective compliance with the values, principles, and conduct standards established in the Code of Ethics, Conduct, and Regulatory Compliance;
- (i) develop policies, codes, procedures, and/or internal controls related to risk prevention and approve those that, by their nature, fall within their sphere of activity and do not require prior approval from the BoD;
- (j) disseminate protocols, policies, and procedures among Obligated Parties, providing all necessary information about them, as well as among external collaborators to whom they may apply;
- (k) define, together with the People department, a training plan for staff to achieve a culture of respect for the law and the organization's ethical principles;
- (l) identify and manage compliance risks arising from relationships with third parties, such as public administrations, suppliers, consultants, agents, etc.;
- (m) promote the use of the Ethical Channel or Internal Information System regulated in the Management Regulation and Procedure in the presence of a fact that objectively has the characteristics of an illicit act; as well as be aware of the information received through the different available communication channels. And resolve them by proposing or referring, as appropriate, to the relevant department or area the possible corrective and/or preventive measures.
- (n) enable and manage the Ethical Channel or Internal Information System that allows reporting of illicit conduct or non-compliance with the Company's policies, protocols, and procedures;
- (o) ensure the absence of retaliation against the whistleblower by the company or any collaborator;
- (p) periodically evaluate and review the effectiveness of the Company's protocols, policies, procedures, and mechanisms for the control and prevention of illicit acts, and promote necessary modifications based on the Company's activities, and additionally, in the event of any regulatory or reality changes affecting the Company, to maintain updated risk identification and controls;
- (q) provide employees with access to the compliance resources and procedures that apply to them;

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- (r) collaborate and ensure prompt responses to information or documentation requests made by judicial bodies, public administrations, regulatory agencies, the Public Prosecutor's Office, or State Security Forces and Corps;
- (s) comply with and monitor the deadlines established in the procedure set forth in the Regulation for the issuance of opinions, submission of allegations, or any other procedure subject to a deadline;
- (t) analyse the following matters with rigor, independence, autonomy, objectivity, and confidentiality, in accordance with the Regulation and this Statute:
 - (i) communications or complaints submitted regarding alleged behaviours detected in the Company that could generate a risk of non-compliance with the Regulatory Compliance System implemented in the Company, both for the Company and for any of the Obligated Parties;
 - (ii) communications indicating that either the Company or the Obligated Parties are involved in a criminal judicial proceeding due to acts or behaviours related to the functions carried out in the Company's various lines of activity;
 - (iii) requests for documentation or information issued by judicial bodies, the Public Prosecutor's Office, public administrations, regulatory agencies, or State Security Forces and Corps regarding the existence of a criminal judicial proceeding initiated due to acts or behaviours related to functions carried out by the Company in its various lines of activity or with its Obligated Parties;
 - (iv) requests for reports submitted by the Company's Obligated Parties regarding the compliance (or non-compliance) with applicable legislation of behaviours carried out in the name and on behalf of the Company, and in its interest or benefit;
 - (v) determine if the received communications have a sufficient factual basis to initiate an internal investigation process and, if applicable, inform the corresponding departmental unit of the existence of acts or behaviours that could lead to the initiation of an internal disciplinary process in accordance with statutory or labor regulations and/or the collective agreement applicable to the Company's Obligated Party; and,
 - (vi) issue an internal opinion with conclusions on the complaints and respond to the communications and inquiries received;

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4. Entry into force

This Statute shall enter into force on 1st January 2025.