

Committed to good governance and transparency

Corporate Governance

Our commitment to corporate governance is ongoing improvement, seeking the highest degree of transparency, efficacy and rigour. This is a decisive factor in the generation of trust and long-term commitment between Cosentino and our stakeholders.

The structure of the Corporate Governance of Cosentino Group, consisting of the General Board of Shareholders, the Board of Directors, the Delegated Committees and the Family Assembly, blends purpose, mission, vision and values with the tradition that characterises our beginnings as a family company with the aim of offering the highest levels of rigor, efficacy and transparency in our decision-making process.

Board of Directors

The Board of Directors is the highest management and representative body. Given our family tradition, it largely consists of members of the Cosentino family, who ensure continuity of our family and business values. It consists of a group of professionals of both sexes with differing knowledge and experience, whose aim is to bring real value to the company by working on a daily basis to manage company affairs with integrity and transparency in an efficient and effective way.

Their mission is to promote social interest, represent the company in the administration of its assets, manage the business and direct the organisation of the company.

Four of the eight members of the Board of Directors are women, in other words 50% of the total.

Chairman / CEO

Francisco Martínez-Cosentino Justo

Members of the Board

Eduardo Martínez-Cosentino Alfonso

Pilar Martínez-Cosentino Alfonso

Isabel Martínez-Cosentino Ramos

Eduardo Martínez-Cosentino Ramos

María del Mar Martínez-Cosentino Ramos

Eduardo Martínez-Cosentino Rosado

Isabel Martínez-Cosentino Rosado

Secretary

Álvaro de la Haza de Lara

External Consultants

Carlos González

Fuencisla Clemares

Santiago Seage

Tony Gennaoui

Delegated Committees

The Delegated Committees are advisory bodies consisting of independent consultants and advisers with renowned prestige and experience in listed companies. Their role is to inform and make proposals to the Board of Directors.

Appointments and Remuneration Committee

Advises and supports the Board of Directors regarding its own composition and those of the Delegated Committees. It proposes, reviews and regularly updates the remuneration policy and recommends improvements in appraisal and gender diversity policies.

This body is also responsible for establishing the criteria related to the selection, qualifications and experience required of directors and independent advisers, and different positions in Cosentino Group.

Audit and Control Committee

The Audit and Control Committee proposes the appointment, re-election or replacement of account auditors and monitors the independence and efficacy of the Internal Audit function, the process for preparing and supervising financial information, the efficacy of the internal control system of Cosentino Group and its systems for managing risk, including fiscal risks, and the review and efficacy of the Code of Ethics and Conduct, and Regulatory Compliance.

Innovation Committee

The Innovation Committee advises the Board of Directors on the implementation of the R&D&I work plan, promoting this activity and fostering an innovation model based on the following premises:

- Multidisciplinary teams.
- Specialisation and versatility.
- Innovation as a transversal competency in the company.
- A system approach to continuous innovation.
- Market orientation.
- Focus on developing differential attributes of products.
- Global alliances and strategic partners.
- Dynamism and the quest for excellence.

Corporate Social Responsibility (CSR) Committee

The goal of the Corporate Social Responsibility Committee is to identify and guide the policy, aims, best practices, sustainability and corporate social responsibility programmes of the Cosentino Group in line with its business strategy. In addition, it prepares the CSR report and monitors the philanthropic initiatives and the contributions to Public Administrations through the payment of taxes.

Executive Committee

The Executive Committee comprises 19 professionals with extensive experience in multidisciplinary and international environments. This Committee is a nexus between the Board of Directors and the rest of the company.



Cosentino Group's Executive Management committee

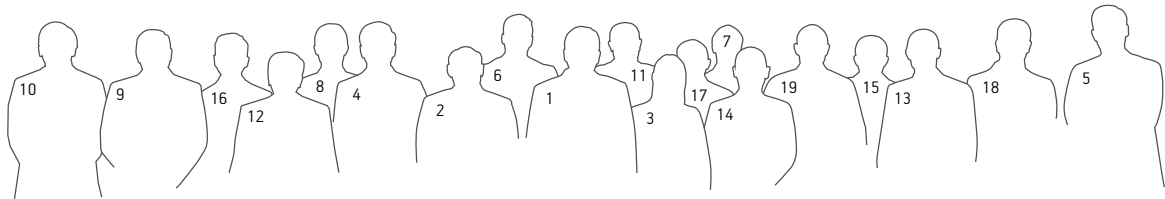
Executive Committee

As of 31 December 2018, the Executive Committee has the following members:

1. **Francisco Martínez-Cosentino Justo**,
President Cosentino Group
2. **José Martínez-Cosentino Justo**,
VP General Treasurer
3. **Pilar Martínez-Cosentino Alfonso**,
EVP Deputy Chairman
4. **Eduardo Martínez-Cosentino Alfonso**,
EVP Global Sales and CEO
Cosentino North America
5. **Álvaro de la Haza de Lara**,
EVP Corporate Functions
& General Secretary
6. **Julian Edwards**,
VP CFO

7. **Valentín Tijeras García**,
VP Global Product and R&D
8. **Julio Martín Mancera**,
VP Global Purchasing
9. **Ángel Madariaga Álvarez**,
VP Engineering & Projects
10. **Alberto Quevedo González**,
VP Global Production
11. **José Antonio Fernández Pérez**,
VP Global Logistics & Planning
12. **Santiago Alfonso Rodríguez**,
VP Global Marketing & Communication
13. **Pedro Parra Uribe**,
VP Sales Europe

14. **Eduardo Martínez-Cosentino Ramos**,
VP Sales Iberia
15. **David Benavente Pérez**,
VP Sales LATAM
16. **Ginés Navarro Rubio**,
VP Sales ROW
17. **Christophe Gontier**,
VP sales Oceania & Asia
18. **Francisco Carrillo Quilez**,
VP Pricing & Technical Unit
of Commercial Projects
19. **Brandon Calvo**,
Chief Operations Officer
Cosentino North America





1. Francisco Martínez-Cosentino Justo, President of Cosentino Group

Francisco Martínez-Cosentino Justo holds a degree in Education from the University of Almería, and spent a year working as a teacher. A few years later, he graduated from an Executive Management for Leading Companies (ADEL) programme at the Instituto de San Telmo. He began his career in business in 1972, and in 1979 he founded the Cosentino Marble company together with his brothers. He currently holds the position of President of Cosentino Group. He has received various prizes for excellence in business, including the Silver Medal of Andalusia, awarded by the Andalusia Regional Government; the Gold Medal for Merit at Work, awarded by the Ministry for Work and Social Security; the Gold Medal of the Province, awarded by the Provincial Council of Almería; the Accreditation of Honorary Ambassador for the Spain Brand, awarded by the Spanish Forum of Leading Brands; the Gold Medal of the High Council of the National Chamber of Commerce and the Medal of the Chamber of Commerce of Almería.

He was Chairman of the Marble Entrepreneurs Association from 1983 to 1988 and Chairman of the Chamber of Commerce, Industry and Shipping of Almería from 1999 to 2003.

2. José Martínez-Cosentino Justo, VP General Treasurer

He graduated from the University of Barcelona with a degree in Economic Science (1969-1975). He was one of the founders of Cosentino in 1979 and currently holds the position of General Treasurer.

He previously worked for other companies such as Henkel Ibérica, Banco Popular and Torras Hostench.

3. Pilar Martínez-Cosentino Alfonso, EVP Deputy Chairman

Pilar Martínez-Cosentino Alfonso holds a degree in Law and Legal Business Consulting from the Pontifical University of Comillas (ICADE) in Madrid. She went onto complete an MBA at the Instituto de Empresa.

She started her career at KMPG, later moving to Cosentino Group as Strategy Manager. She currently holds the position of Deputy Chairman at Cosentino Group. She combines her professional role with that of Chairwoman of the Almería Foundation for Excellence in Business, and she is a member of the General Assembly of the Almería Chamber of Commerce. She is also a member of the Board of Trustees for the Eduarda Justo Foundation, dedicated to training and leadership for young people.

4. Eduardo Martínez-Cosentino Alfonso, EVP Global Sales and CEO Cosentino North America

Eduardo Martínez-Cosentino Alfonso studied Business Management and Administration, specialising in Marketing at ESIC Madrid until 2002. At the age of 35, he has already built up a solid career at Cosentino Group, where he has worked his way up through Sales, gradually taking on more responsibility until reaching management level. In 2010, Eduardo was appointed Chairman and CEO of Cosentino North America, as well as EVP for Corporate Sales worldwide, supervising the growth of the company and taking responsibility for national and international business units.

5. Álvaro de la Haza de Lara, EVP Corporate Functions & General Secretary

Álvaro de la Haza holds a degree in Law from ICADE (Catholic Institute of Business Administration and Management), he also has a MBA for Professionals through the 'Instituto de Empresa'. He completed executive training at the London School of Economics.

After his time as a lawyer in the Garrigues office, he joined Cosentino in 2004, where he has increased his scope of action and executive responsibility.

He is the company's representative in CEOE and is also Vice President of the Almería employers, Asempal. Álvaro de la Haza is a trustee of the United States-Spain Council Foundation. He was President of the World Stone Engineering Association, ASTA Worldwide. Furthermore, he is a regular lecturer at universities, master's degrees and business organizations, his areas of expertise being family business, and estate planning and management.

6. Julian Edwards, VP CFO

Julian Edwards holds a degree in Economics and Business Management (London School of Economics and Political Science) and a master's degree in Economic Financial Management (EFM).

Before joining Cosentino he worked for eleven years at Ferrovial Group, where for the last three years he held the position of Internal Audit Manager for North America.

7. Valentín Tijeras García, VP Global Product and R&D

Valentín Tijeras García holds postgraduate studies in business management, power electronics, an MSc in Electronic Engineering and a BSc in Physics. He previously worked as a researcher in the department of Electronics and Computer Technology at the University of Granada. He was Project Manager at SEPSA, developing high power electronic equipment (2001-2003) and worked from 2003 to 2006 as the Technical Director of the Andalusian Technology Centre for Stone (CTAP).

He has worked for Cosentino since 2006 as Product Manager. Since then he has been in charge of developing new products and defining innovation policy. Over the years he has also run the Technical Office, the Project Service unit and the Pricing department. Since 2017, he has been in charge of Research and Development in Cosentino Group.

8. Julio Martín Mancera, VP Global Purchasing

Julio Martín Mancera is a graduate in Mine Engineering, and holds a Masters in Operations and Services from ESADE Business and Law School. Before joining Grupo Cosentino he worked in Industrial Engineering and Mining, managing projects involving the opening of new mines and industrial plants, as well as running technical management and mining operations.

He is currently Vice President of Global Purchasing at Cosentino Group. He began his career at Cosentino in the Mining department and a year later joined the Purchasing department, which he has helped to develop from a number of different positions.

9. Ángel Madariaga Álvarez, VP Engineering & Projects

Ángel Madariaga Álvarez is a Senior Industrial Engineer. She started out as Internal Audit Manager after joining Cosentino in 2005 and three years later she was appointed Assistant Director of Operations and Services. She was in charge of the Projects department between 2008 and February 2015, when she accepted her current role. She previously worked for five years for Arthur Andersen as an Accounts Auditor.

10. Alberto Quevedo González, VP Global Production

Alberto Quevedo González studied Industrial Engineering, Business Management and Administration, and has an Executive Master from IE. He was a CIO before taking up his current position. Before joining Cosentino Group, he worked for Ernst & Young and Deloitte.

11. José Antonio Fernández Pérez, VP Global Logistics & Planning & Distribution Operation

José Antonio Fernández Pérez studied Telecommunications Engineering at the Polytechnical University of Jaén. He has an Executive Masters in Marketing and Commerce from the Institut de Empresa (IE), a master's in Shipping Business Administration and Logistics from the Spanish Maritime Institute (IME) and a Certificate in Planning, Production and Stock Management (BSCM-DRP-DSP) from APICS. He joined Cosentino in 1998 and after working at the Technical Office, USC, where he created the Pricing Department, he is currently the Director of Planning, Logistics and Distribution Operations.

12. Santiago Alfonso Rodríguez, VP Global Marketing & Communication

Santiago Alfonso Rodríguez is a Law Graduate and holds an AD1 Diploma from the San Telmo Institute. He also completed business administration studies at the European University of Brussels. He joined Cosentino in 1990, and after working in the Sales department in both the Spanish and international market, he created the Marketing department in 2000.

He represents the company in a number of associations and federations within the field of architecture, design and marketing.

13. Pedro Parra Uribe, VP Sales Europe

Pedro Parra Uribe is a graduate in Telecommunications Engineering (Polytechnic University of Catalonia) and has an MBA from The Wharton School (University of Pennsylvania). Before joining Cosentino he worked for British Telecom, Morgan Stanley and McKinsey & Co.

14. Eduardo Martínez-Cosentino Ramos, VP Sales Iberia

Eduardo Martínez-Cosentino Ramos holds a degree in Fine Art from the University of Barcelona. He graduated from EADA in 2005. He has worked for Cosentino since 1985, beginning with sales work in Barcelona. In 1987, he opened the Madrid Center with Pedro Expósito. Since 2004, he has been the manager of the Centres in Spain and since 2007, those in Portugal.

15. David Benavente Pérez, VP Sales LATAM

David Benavente Pérez holds a degree in Finance and Accounting from the University of Houston. He also has an MBA in International Business from Saint Thomas University. He has worked at Cosentino for 18 years, moving through different positions, such as Administration and Accounts Director for Cosentino USA, Sales Director for Europe and finally Sales Director for LATAM.

16. Ginés Navarro Rubio, VP Sales ROW

Ginés Navarro Rubio holds a degree in Business Science, an MBA from IEDE and a Senior Management Degree from the San Telmo International Institute. After two years as an Economic and Tax Advisor, he has spent the rest of his career at Cosentino, first as Economics Director, before becoming involved in the Group's international expansion process.

17. Christophe Gontier, VP sales Oceania & Asia

Cristophe Gontier holds a degree in Business Sciences and an MBA in Business (UD, Texas). He worked for Steelcase and Fagor before joining Cosentino in 2007. Since then, he has held several posts in Sales within the company, such as Area Manager for the European market. In 2017, he took up the post of VP Sales Oceania & Asia.

18. Francisco Carrillo Quilez, Pricing VP

Francisco Carrillo Quilez is a graduate in Telecommunications Engineering and has a master's degree in Marketing and Commercial Management. He has held a number of different commercial management positions at Cosentino in Iberia and Europe, and for the past three years he has been Director of Pricing and Cosentino Group's Technical Project Service Unit.

19. Brandon Calvo, Chief Operations Officer Cosentino North America

Brandon graduated from McCombs Business School at the University of Texas with a major in International Business. He is one of the original Cosentino North America employees and founders since 1998. During his career he has worked in both Distribution and Fabrication segments, holding the Chief Operations Officer title for Cosentino North America since 2008.

Family Assembly

The Assembly is attended every year by all family members over the age of 16 to share information about the progress of Cosentino Group and to reinforce the family and business principles and values.

The Assembly has the following tasks and functions:

- It meets once or twice a year to inform the family of the company's progress and of any developments deemed appropriate.
- It constitutes a forum that defines the family's objectives for the Group.
- It detects problems that affect the Family and the Group.
- It promotes education and training programmes for family members.

Ethics, Conduct & Regulatory Compliance

Cosentino Group is fully committed to compliance with ethical standards and principles and current legislation, both internally and in our external relations. We want to build a relationship of complete trust with our team members, shareholders, customers, suppliers and partners.

With this objective in mind, we continually update and promote our Code of Ethics, Conduct and Regulatory Compliance. This code is our main tool for establishing ethical conduct, built on integrity and going beyond the legal minimum. It obliges our directors, managers and employees to perform their duties and develop relations with our stakeholders in an honest fashion. A conduct based on the principles of:

- **Respect for legality.** Our activities take place in strict compliance with current legislation at every location where we have a presence.
- **Ethical integrity.** The business activity of Cosentino Group and its employees are founded on integrity and developed in accordance with the principles of honesty, the avoidance of any kind of corruption and respect for the circumstances and particular needs of all stakeholders.
- **Respect for Human Rights.** All our activity shall fully respect the Human Rights and Civil Liberties included in the Universal Declaration of Human Rights.

The values of our Code of Ethics are part of the culture that we share with all Cosentino Group employees, who must be familiar with this document.

To ensure compliance with these basic principles of conduct, Cosentino Group has set up tools such as our Ethics Committee, the Regulatory Compliance Body and the Complaints Channel.

Ethics Committee

Its role is:

- To safeguard compliance with the Code of Ethics, Conduct and Regulatory Compliance.
- To safeguard compliance with the ten principles of the Global Compact.
- To process complaints regarding ethical matters received through the Complaints Channel and launch the appropriate investigation.
- To resolve conflicts of interest arising from the course of business activity.

The Committee reports directly to the Chairman. It is fully independent and meets regularly.

Composition

EVP Deputy Chairman

Pilar Martínez-Cosentino Alfonso

EVP Corporate Functions & General Secretary

Álvaro de la Haza de Lara

Internal Audit Director

Guillermo José Vicente Saúco

Regulatory Compliance Body

Its role is:

- To safeguard regulatory compliance.
- To control, supervise and act as the body responsible for complaints relating to regulatory compliance received through the Complaints Channel.

Composition

EVP Corporate Functions & General Secretary

Álvaro de la Haza de Lara

Director of Legal Consulting

Jorge Cuervo Vela

Complaints Channel

Our Complaints Channel is a means of communicating in total confidence any improper conduct regarding alleged non-compliance or breach in conduct set out in the Code of Ethics, Conduct and Regulatory Compliance.

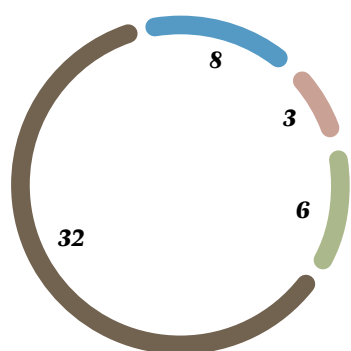
The Channel is available to all Cosentino employees via the corporate intranet channel. Non-employees can communicate with the company and make complaints via our website or by email.

The complaints and communications received are processed by the Ethics Committee or the Regulatory Compliance Body, depending on their content. We are committed to responding within ten days.

In 2018 a total of 49 reports of widely different character were received via the complaints channel.

Amongst the total of 49 communications, 11 were received from non-employees (mainly customers) and 38 from company staff.

Number of communications received



- Defamation / harassment
- Discrimination
- Others ⁽¹⁾
- Unrelated ⁽²⁾

(1) Includes communications concerning complaints of different kinds such as health and safety, non-compliance with internal procedures, etc.

(2) Includes the communication of complaints related to customer attention, GDPR, etc.

Anti-corruption mechanisms and conflicts of interest

The commitment of the Cosentino Group to deal with corruption and bribery is embodied by establishing anti-corruption measures in the Code of Ethics, Conduct and Regulatory Compliance and via the Anti-Corruption Policy that covers our maximum commitment to lawfulness, ethical values and maximum transparency.

Our Anti-Corruption Policy was approved in 2017 and is applicable to the main companies of Cosentino Group: Grupo Cosentino, S.L., Cosentino, S.A. and Cosentino R&D.

Cosentino Group Anti-Corruption Regulations

The company expressly prohibits offering or giving:

- Gifts of any kind in direct return for a deed performed either in the past or in the future. Gifts should be given, offered or accepted without anything in return.
- Cash, unless this takes place as part of Cosentino's official loyalty schemes.
- Gifts of any kind if there is a risk that due to its frequency or value (individually or jointly) this giving or offering may not be considered to be sporadic or reasonable.

In 2018, the company implemented its Annual Training Plan and Communication on matters concerning *compliance* including monthly training in which issues related with corruption are emphasised.

Our Annual Auditing Plan includes action to assess any conflict of interest in the company and compliance with internal rules such as our Purchasing Standards, which thoroughly regulate the existence of any conflicts of interest from a purchasing perspective.

The regulations regarding money laundering are included in the Code of Ethics, Conduct and Regulatory Compliance. Cosentino Group is committed to complying with money laundering laws of any competent jurisdiction. We have procedures to control payments through third parties or tax havens, and we implement measures such as a centralised treasury, payments reflected in SAP, verification procedures, posting of invoices, etc.

Human Rights

Via our Code of Ethics, Conduct and Regulatory Compliance, we agree to respect the human rights and civil liberties included in the United Nations Universal Declaration of Human Rights. The responsibility for respecting human rights lies with all the people and bodies to which the aforementioned Code is applicable. We follow basic guidelines for conduct including ILO's Declaration of Fundamental Principles and Rights at Work and Conventions, the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact.

In this Code, Cosentino expressly agrees to abolish child labour, requiring all employees, partners and suppliers to comply strictly with this principle.

With regard to our supply chain, Cosentino requires its suppliers and sub-contractors to agree to the Code of Ethics, Conduct and Regulatory Compliance and accept the principles of respect towards human rights, amongst others.

Finally, the Cosentino Complaints Channel may be used to communicate any cases of non-compliance or breach in the conduct included in the aforementioned Code, including matters of human rights.

Associations and other initiatives

Cosentino plays an active role in a number of organisations related to our activity, promoting dialogue with our stakeholders and reaffirming our commitment to sustainable development:

- SERES Foundation: A Spanish foundation promoting business commitment and actions to reinforce corporate responsibility and generate shared value.
- The Sustainable Stone Programme of the TFT (The Forest Trust): a non-profit-making organisation that helps companies in the private sector to transform their supply chains in a way that benefits people and nature.

The annual payment to these associations is not considered important as it only involves the payment of a membership quota.

We are also involved in a number of external initiatives that our ethical rules and procedures are based on:

- Sustainable Development Goals.
- OECD Guidelines.
- ITO Tripartite Declaration.
- Universal Declaration on Human Rights.
- ISO 9001 & 14001.
- European Purchasing Standard UNE 15896.

Fiscal Transparency

In line with Cosentino's commitment to fiscal management, since 2015, we have voluntarily published details of the tax payments made in the countries where we operate, thus demonstrating our commitment to fiscal transparency.

Cosentino Group's fiscal policy is based on all our companies complying with their tax obligations, their relationship with the tax authorities being governed by our corporate principles: integrity, honesty, transparency and professionalism.

Therefore, the fiscal activity of Cosentino Group is determined by the following principles of action:

- To comply with general regulations and particularly with the tax laws in the different countries and regions that the Group operates in, paying the applicable taxes according to the legal system of each country.
- To encourage mutually cooperative relations with the tax authorities.
- To collaborate in the fight against tax evasion, rejecting the use of contrived structures unrelated to the activities of the Society in the different countries with the sole purpose of lightening the tax burden. To this

end, Cosentino Group has established a Transfer Pricing Policy for operations between related parties that is governed by the principles of free concurrence, the creation of value and assuming risks and rewards.

Our activity implies a significant financial and social contribution to the economies in which we have a presence. We not only make a significant direct contribution to the public administration via the payment of taxes, but also a substantial contribution via the collection of taxes from third parties as a result of the company's activity.

In 2018, the financial and social contribution through the net payment of taxes (sum of taxes paid plus rebates) and through the taxes collected by Cosentino on behalf of the public administrations, had an increase of 5% on the previous year, reaching €149,654,800.42, of which €21,075,335.38 corresponded to the net payment of direct taxes and €128,579,465.05 to taxes collected.

Thus, in 2018 we paid €12,848,460 in taxes on profits.

Evolution of tax contributions

	2016	2017	2018
Direct tax payments (€)	15,130,899	29,352,857	21,075,335.38
Tax collection (€)	98,151,256	112,962,346	128,579,465.05
TOTAL	113,282,155	142,315,203.42	149,654,800.42

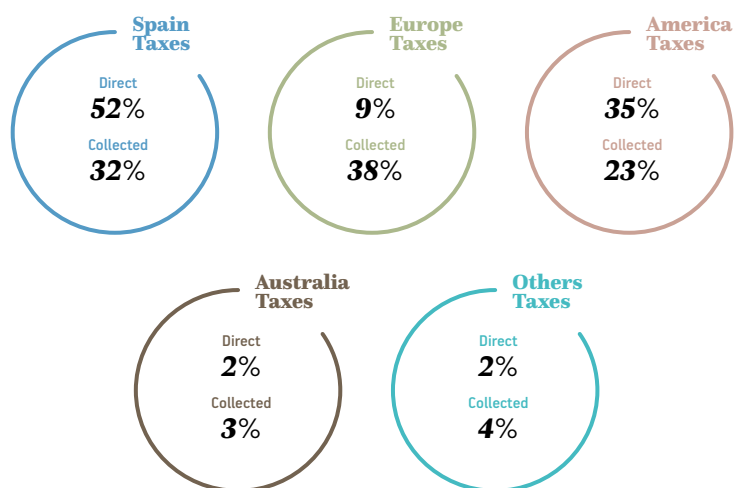
Contribution by region

By region, Spain is the country where we contribute the most in direct taxes because it is the country where the Group's main activities take place (including manufacturing, research, development, purchases and marketing), followed by other European countries and the USA.



€149,654,800

Total tax payment



Public subsidies received

The movement of non-repayable subsidies, donations and legacies received is as follows:

Balance on 1 January	€ 28,429,621.09
Subsidies awarded during the year	€ 1,983,639.76
Reduction of subsidies received in previous years	€ -837,933.67
Transfers to the profit and loss account	€ -4,591,310.31
Balance on 31 December	€ 24,984,016.88