



# FLOW ASSURANCE GROUP CORPORATION

Quality Management Manual  
Status: 04.22.2026\_revision 1.1383

Ethical & Business Practices Handbook  
Status Effective: 04.22.2026\_revision 1.1383

## Corporate Ethical & Business Practices Handbook Manual

### Corporation Handbook

Ethical & Business Practices Handbook  
Version Number: 04.22.2026\_revision 1.1383  
Effective Date: 04/20/2026  
Document Number: FAGC-EBP-HBK-62039

## ETHICAL POLICIES AND PROCEDURES

### FAGC Introduction

It is the policy of (“FAGC” or “the Company”) to maintain the highest level of professional and ethical standards in the conduct of its business. FAGC is committed to complying with the laws and regulations applicable to its business in Mexico and anywhere else it does business.

This policy applies to FAGC and all its officers, directors, employees, agents, consultants and other representatives, regardless of nationality. Everyone has an obligation to review the following policies and procedures carefully and to comply with them and with all applicable laws.

### Policies

It is the policy of FAGC to comply fully with all applicable ethical and anti-corruption laws in Mexico and where FAGC conducts business and laws of any other relevant jurisdiction.

Payments to Government Officials: FAGC policies makes it illegal to bribe officials, including by way of payments through third parties. Neither FAGC or any of its officers, directors, employees, agents, consultants or other representatives may make, offer, pay, promise to pay or authorize the payment of any money or thing of value to any government official for obtaining or retaining business or for securing any improper advantage.

The term “government official” includes: (i) any official or employee or agent of federal, state, or local governments, or of state-owned enterprises, (ii) any official or employee or agent of a public organization; or (iii) any official or employee or agent of a political party or candidate for political office.

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The concepts of “obtaining or retaining business” and “securing any improper advantage” are very broad, and it is FAGC’s policy that no payments of any sort should be made in connection with its business to government officials.

Payments to Persons Who Are Not Government Officials: Neither FAGC or any of its officers, directors, employees, agents, consultants, or other representatives may promise or give any financial or other consideration to any person for the purpose of inducing a person to perform a relevant function or activity improperly or to reward a person for the improper performance of a relevant function or activity in connection with the conduct of FAGC’s business. Bribery is prohibited at FAGC, whether or not it involves a government official.

Record-Keeping: Although FAGC is not a publicly traded company and is therefore not subject to the record-keeping requirements, it shall nevertheless make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of FAGC. FAGC shall also devise and maintain a system of internal accounting controls. FAGC’s policy prohibits the mischaracterization or omission of any transaction on its books and records or any failure to maintain proper accounting controls that results in such a mischaracterization or omission. False or misleading entries are not permitted for any purpose.

It is the responsibility of each officer, director, employee, agent, consultant, or other representative of FAGC to comply with these policies, including seeking guidance when in doubt.



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## **Procedures Relating to Compliance**

The purpose of these procedures is to help ensure compliance with the requirements of the anti-corruption laws to which FAGC is subject. Compliance with these procedures is **mandatory** for all FAGC's officers, directors and employees and anyone else working on FAGC's behalf.

### **Approval Process**

No Agent, contractor or Company represented may conduct business on behalf of FAGC until the due diligence and approval procedures described below have been completed and an appropriate agreement.

### **Definition of "Agent"**

For purposes of these Policies and Procedures, the term "Agent" means any third party, whether an individual or company, represented, representing or acting with or on behalf of FAGC for the purpose of: (i) assisting, represented by FAGC or representing FAGC in obtaining or retaining business; or (ii) assisting or representing FAGC in any dealings with government officials or entities. This term includes sales representatives, marketing and commercial agents, distributors, consultants and any other third parties authorized by FAGC to interface with government officials or government-owned customers in connection with their work on behalf of FAGC.

### **Due Diligence and Approval**

Every Agent or company represented by FAGC must be subject to due diligence before performing services on behalf of FAGC and receiving payment from FAGC. The level of due diligence shall be determined based upon the risk profile of the Agent. It shall at minimum consist of background and reference checks on the Agent. In other cases, diligence may include interviews with FAGC's counsel. No Agent shall be retained by FAGC without the express approval of Contralor, who will, working with counsel, determine and perform or oversee the appropriate level of diligence prior to approving the agent.

### **Agreements**

All Agents shall perform work subject to agreements with FAGC. All new agreements with Agents must be in writing and must include the following provisions:

- The Agent must agree that it shall render services in an ethical manner and comply with all laws.
- The Agent must represent that it is not a government official.
- The Agent must agree that it has not made and will not make any offer, payment, loan, gift in-kind, or anything of value to a government official or to any other person while knowing or having reason to suspect that any part of such offer, payment, loan, gift in-kind, or thing of value will be given to a government official.
- The Agent must agree that it shall not make any corrupt payments on behalf of FAGC to any person, whether or not that person is a Government Official.
- The Agent must agree that FAGC shall have the right to conduct a reasonable audit of the Agent to determine, to FAGC's reasonable satisfaction, whether any of the Agent's actions or omissions may subject FAGC to liability for the violation of anticorruption laws.
- The Agent must agree to provide FAGC with a signed compliance certification at FAGC's request.
- The Agent must agree to comply with the Policies and Procedures.

## Monitoring and record-keeping

Report Agent must provide written reports on a periodic basis describing the services provided to FAGC, including full descriptions of all meetings with government officials. Such reports should be reviewed by the FAGC's employee most knowledgeable about the agent's responsibilities and kept on file.

## Facilitating Payments

Facilitating or expediting payments are *not* permitted under the Policies and Procedures.

## Travel, representation and entertainment expenses

Employees must obtain prior written approval for any expense to, or travel and lodging expenses for, government officials or others. The FAGC's procedure includes a very narrow exception for representation and travel expenses for government officials and others for legitimate promotional or marketing purposes. An employee or Agent of FAGC may pay or authorize the payment or reimbursement of promotional expenses *after* receiving a written request for approval and only if:

- The payment or expense is directly related to the promotion, demonstration or explanation of FAGC's products or services, or directly related to the execution or performance of a particular contract between FAGC and a government or instrumentality;
- The payment or expense is not provided for the purpose of inducing a government official or other person to misuse his or her position, to affect the exercise of that person's discretion or to perform a relevant function or activity improperly;
- The payment or expense is reasonable in size and does not *give the appearance* of an intent to influence the person or induce improper conduct;
- The payment or expense is (if applicable) a reasonable and bona fide expenditure for meals, entertainment or representation expenses or items (such as corporate logo items) in light of what is customary and within the bounds of ethical business practices;
- The payment or expense does not place the recipient under any obligation to exercise discretion improperly;
- The payment or expense is legal under the written laws, rules or regulations of the particular country; and
- The payment or expense is accurately recorded and fully described in FAGC's books and records.

## Charitable and political contributions

Employees must obtain prior written approval before making any charitable contributions on behalf of the FAGC. Contributions to political parties, candidates, campaigns, political action committees or officials are not permitted by employees or Agents of FAGC on behalf of FAGC.

## Solicitations, threats and extortion

In some instances, governmental officials and others may request or solicit improper payments or attempt to extort such payments by detaining persons or property such as personal effects, vehicles or company equipment or goods. The fact that an official or other person requests, solicits or demands an improper payment **does not** make such payments permissible. It is FAGC's policy that employees not comply with requests, solicitations or demands for improper payments or inducements.



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Notwithstanding the above, the personal safety of employees is paramount. Employees may be required to use their own judgment about how to handle a situation where the personal safety of an employee or other person is in jeopardy. If such an event occurs, please contact Contralor Director immediately or as soon as safely possible.

## **Books and records**

FAGC's Policies and Procedures prohibit the mischaracterization or omission of any transaction on FAGC's books or any failure to maintain proper accounting controls that results in such mischaracterizations or omissions. All accounting records, including but not limited to expense reports, invoices, vouchers, reimbursements for gifts or business entertainment, and any other business records must be accurately and reliably reported and recorded. Undisclosed or unrecorded payments and accounts are strictly prohibited. False or misleading entries are not permitted for any purpose.

## **Employee obligations and reporting**

Employees must promptly report any violation of the Policies and Procedures or applicable law through one of the following options: An employee may make such a report to his or her immediate supervisor or an employee may make a report to any director.

## **Certification**

All employees, officers, directors, employees, agents, consultants and other representatives must certify annually in writing, such as in the form attached, that they have reviewed and are familiar with the Policies and Procedures and any supplementary material dealing with compliance.

## **Employee education**

*Need for Employee Education Program:* A primary purpose of the Policies and Procedures is the promotion of the FAGC's policy of adherence to the highest professional and ethical standards and adherence to the requirements of law. In order to ensure that all FAGC personnel are familiar with the anti-corruption laws that apply to the FAGC, FAGC will provide appropriate training programs for its personnel.

*Responsibility for Education Program:* Director, working with or through outside counsel as appropriate, shall have responsibility for developing and overseeing the Employee Education Program ("Education Program"). The Education Program is intended to provide an appropriate level of training for each affected employee regarding the Policies and Procedures.

*New Employee Orientation:* FAGC's orientation for new employees shall include an explanation of the Policies and Procedures and the employees' obligation to maintain the highest level of ethical conduct and standards.

*Updating Material:* All Education Program material should be reviewed, updated and redistributed annually or on such other periodic.

*Documentation* FAGC shall maintain records related to the Education Program. This includes, but is not limited to, attendance lists and copies of all presentations given at training sessions.