

AVALON GLOBOCARE CORP.
FOREIGN CORRUPT PRACTICES ACT AND ANTI-CORRUPTION POLICY

I. POLICY STATEMENT

As a United States company conducting business around the world, Avalon GloboCare Corp. and its subsidiaries and affiliates (together, the “**Company**”) must comply with all applicable United States and foreign laws, including the U.S. Foreign Corrupt Practices Act (“**FCPA**”) and similar anti-corruption laws of other nations. This obligation extends to all Company personnel and agents, both within and outside the United States.

This FCPA and Anti-Corruption Policy is designed to familiarize you with the FCPA. Nothing in this Policy limits the scope or requirements of the Code of Business Conduct and Ethics (“**Code of Conduct**”) that has been enacted by the Company. This FCPA Policy builds on the Code of Conduct and provides additional guidance to ensure that Company personnel, and the Company’s agents and business partners, do not knowingly or unknowingly compromise Company values or violate the FCPA.

In addition to reviewing this FCPA Policy, it is your obligation to attend FCPA training as required, to seek guidance on FCPA issues as they arise, and to report suspected or actual FCPA violations promptly.

Failure to comply with the FCPA and other anti-corruption laws may result in civil and/or criminal fines to the Company, as well as significant harm to the Company’s reputation. Such a failure may also result in civil and criminal penalties being imposed against the employees involved. Failure to comply with this Policy will also result in disciplinary action being taken by the Company.

II. THE FCPA

A. Overview

The FCPA contains two components, which are informally known as its “anti-bribery provisions” and its “accounting provisions.” In summary, the “anti-bribery provisions” prohibit the Company and its directors, officers, employees, representatives, agents, and business partners around the world from offering, authorizing, promising, directing, or providing anything of value to any non-U.S. government official for the purpose of influencing that person to assist the Company in obtaining or retaining business or securing an improper business advantage which would include in connection with obtaining trial or product candidate approvals or authorizations, permits or entitlements. Individuals and companies may also be penalized if they order, authorize, or assist someone else to violate the anti-bribery provisions, or if they conspire to violate those provisions.

In addition to prohibiting improper payments, the FCPA also contains “accounting provisions” that impose additional record-keeping and internal control requirements on public companies. These accounting provisions do not just prohibit improper accounting of improper payments, they even prohibit improper accounting of proper payments. Put differently, even bona fide business expenses, if improperly accounted for in the books and records of the

Company, can lead to a violation of the FCPA. The Company is committed to maintaining strong internal controls to ensure that its books and records are accurate and in conformance with the accounting provisions of the FCPA.

B. FCPA Penalties

Under the anti-bribery provisions of the FCPA, any Company director, officer, employee, representative, agent, business partner, or person acting on behalf of the Company who willfully violates the FCPA may be liable for up to \$10,000 in civil fines and up to \$100,000 in criminal fines and may be imprisoned for up to five years. The FCPA prohibits indemnification of such individuals by the Company. The Company may be liable for civil fines up to \$10,000 and criminal fines up to \$2 million.

In addition, an FCPA violation could result in other adverse consequences such as suspension or debarment from government contracts, revocation or suspension of export license privileges, shareholder lawsuits, disgorgement, and long-term damage to the Company or an individual's reputation.

C. FCPA Provisions and What They Mean

Included below are summaries and explanations of some important FCPA provisions to assist you in your general understanding of the FCPA's requirements. You can find the full text of the FCPA at the DOJ's website, <http://www.justice.gov/criminal/fraud/fcpa/>, which also contains translations of the FCPA in many languages, including French, Spanish, German, Japanese, Cantonese, Mandarin, and Russian. You are encouraged to review the full text of the FCPA in English or your primary language.

- **The FCPA prohibits payments or the offer of payments.** You do not need to make a payment for liability to attach under the FCPA. The mere offer or promise of a payment can lead to a violation of the statute.
- **The FCPA prohibits payment of money or anything of value.** The FCPA extends to payments of anything of value—not just payments of cash. There is no minimum threshold or materiality requirement for corrupt payments.
 - Prohibited payments can take many forms, including the purchase of an official's property or services at inflated prices, entertainment, charitable donations, travel expenses, loans with favorable terms, scholarships, cars or sports equipment, or anything else of value.

The following are examples of bribes or improper payments under the FCPA:

- making payments or giving something of value to a government official in order to receive or renew a license or permit or to obtain an approval that the Company needs to continue business;

- making payments or giving something of value to a government official that is intended to influence implementation of a law that is beneficial to the Company's business or to influence the repeal of a law that is adverse to the Company's business;
 - making payments or giving something of value to a government official in exchange for overlooking or forgiving a regulatory compliance mistake or violation;
 - making payments or giving something of value to government officials or political parties in connection with transactions or proposed transactions related to the Company's products or services; or
 - authorizing or making payments to government officials intended to influence acts and decisions that would help the Company to win a deal or prevent the Company from losing a deal.
- **The FCPA prohibits both direct and indirect payments.** In addition to direct payments to foreign government officials, indirect payments through an agent, partner, subsidiary, consultant, or any other third-party may also give rise to liability. The FCPA prohibits payments to any person while "knowing" that any part of the proceeds will be provided to or otherwise used to influence the acts of a non-U.S. official.

Below are some "red flags" that may require further inquiry to ensure that improper payments are not being directed to government officials:

- requests for commissions that are unusually large in relation to the work to be performed;
- references by a local agent to "special accommodations" that have to be made with local officials or statements that you should not ask too many questions about how business gets done in the local jurisdiction;
- hesitation on the part of an agent or consultant to provide the details of the services to be performed and statements that he or she will "do what it takes to get the deal done" in the local jurisdiction;
- requests for "up front" payments when such payments are not expressly required by a written business agreement;
- requests for payment to an offshore bank account, in cash, in a different name, to a shell corporation, to an account in a different country, through private payment procedures, or to an unrelated third-party;
- refusal by a prospective agent to commit in writing to comply with the Company's compliance policies;
- refusal to submit to or respond to the Company's due diligence requests without a reasonable explanation;
- refusal by a consultant to provide written reports of its activities;
- a history of illegal or questionable behavior by a prospective consultant;
- family or business relationships between the Company's agent and government officials;

- proposals for consulting or lobbying contracts by persons who claim to have “special arrangements” with government officials;
 - requests for commission payments prior to announcement of an award decision;
 - requests by government officials that specific parties be engaged to provide services or materials to the Company;
 - requests that the Company bid for services to be made through a specific representative or partner; or
 - demands that payments only be made in cash.
- **The FCPA does not require quid pro quo agreement.** The SEC and U.S. courts have made clear that an arrangement need not be of a “quid pro quo” nature to be corrupt. Any attempt to favorably influence foreign officials, even if that simply includes purchasing their good will, may be considered securing an improper advantage and a violation of the FCPA.
 - **The FCPA broadly defines “foreign officials.”** A foreign official is someone who acts as an elected official of a foreign government, acts as an officer or employee of any government department, acts as an employee, officer, or director of a state-owned or quasi-governmental enterprise, or acts in an official capacity for or on behalf of a foreign government—even if that person is not employed by the government (e.g., a government consultant). **Employees of state-owned enterprises or government-controlled entities, as well as officials from public international organizations, also qualify as foreign officials.** In certain instances, the FCPA may also apply to relatives of foreign officials.
 - **Exceptions to the FCPA for “facilitating payments” are extremely narrow.** The FCPA permits payments to foreign officials where the purpose of the payment is to expedite a “routine government action.” Routine government action refers only to those actions that are “ordinarily and commonly performed” by government officials. These payments cannot be made to influence any discretionary decision by an official and must be allowed under local laws.
 - This exception does not apply to decisions by foreign officials to award or maintain business.
 - Facilitating payments, even if they do not violate the FCPA, may violate the laws of other countries.
 - You must use extreme caution in using “facilitating payments” and it is your obligation to ensure that a payment qualifies as a “facilitating payment.”
 - You should obtain the written consent of the Company’s Compliance Officer, or his/her designated representative prior to making such a payment.

The following may be permissible in certain situations: payments to obtain permits or licenses that qualify a company to do business in a foreign country, payments to process government papers such as visas, payments to complete routine inspections like customs inspections, and payments to secure police protection, mail delivery, and other

infrastructure-related services. Such payments may be permissible only if the fees are fixed and certain for all parties.

- **Exceptions for “Reasonable and Bona Fide Expenses.”** The FCPA permits payments to foreign officials for reasonable and bona fide expenses directly related to a promotion, demonstration, or explanation of a company’s products and services. However, you must be extremely careful when making such payments and keep the following rules in mind:
 - Do not extend any invitation for travel to any government official, government employee, or political party, official, or candidate for political office, without the prior approval of the Compliance Officer or his designated representative.
 - Any travel or entertainment expenses must be limited solely to those individuals necessary for the furtherance of the Company’s business. You cannot pay or promise to pay any travel or entertainment expenses for spouses or guests of your invitees.
 - All travel and entertainment expenses must be accurately and adequately documented in the books and records of the company; you must not misstate the purpose or value of these expenses.
 - Legitimate gifts, meals, and entertainment are permitted only if they are of nominal value, infrequent, and not offered for an improper purpose.
 - It is your obligation to ensure that a payment qualifies as a “reasonable and bona fide expense.” If you have any questions or concerns, it is your obligation to consult the Company’s Compliance Officer or his designated representative.

- **Record-keeping and internal controls requirements.** The FCPA requires companies to maintain detailed and accurate accounting records and internal controls. All Company personnel and third-party agents and business partners must keep detailed and accurate records of payments to foreign officials, agents, and business partners. There is no “scienter” or intent requirement and there is no “materiality” threshold for these requirements. Accordingly, even a small misstatement or false record-keeping can give rise to liability.
 - You must not create any false, incomplete, or misleading entries or records.
 - You must not maintain any undisclosed or unrecorded corporate funds for miscellaneous expenses.
 - Vague accounting descriptions like “advertising” or “promotional costs” without further explanation will raise red flags and could implicate the record-keeping provisions of the FCPA.

- **Willful ignorance and similar bad acts by others are not valid defenses.** Willfully ignoring FCPA warning signs in an attempt to avoid gaining actual knowledge of a violation is not a valid defense. Similarly, arguments that bribes or improper payments are part of the business culture in a particular country or industry, or are part of the costs of doing business in a particular country, are not valid defenses.

III. SEEKING GUIDANCE ON FCPA ISSUES

The Company's management has appointed Luisa Ingargiola, the Company's Chief Financial Officer, to serve as the Compliance Officer responsible for implementing and providing guidance and interpretation on matters related to the FCPA and the Code of Conduct in general.

Company personnel with questions about the FCPA or who are uncertain of the requirements of the FCPA Policy are obligated to seek guidance from their superiors and/or the Compliance Officer or his designated representative.

The Compliance Officer also has responsibility for investigating, or overseeing the investigation of, any information or allegations concerning possible FCPA violations or other unethical or improper business conduct. The Compliance Officer will have authority to retain and consult with outside legal counsel to assist in carrying out his/her duties.

It is understood that Company personnel will often go to their immediate supervisor to seek guidance on ethics-related issues or report potential violations of the Code of Conduct, the FCPA Policy, or other rules and regulations. However, there may be situations in which Company personnel do not wish to raise such issues with their supervisors. Such situations include instances where the conduct in question involves a supervisor, where the employee has reported the conduct previously and does not believe that the supervisor has dealt with it properly, or where the employee does not feel that the matter can be appropriately discussed with his or her supervisor. In these types of situations, Company personnel should raise the matter with the Compliance Officer, either directly or anonymously.

Note: Each Company officer, director, or employee has an independent and continuing obligation to ensure compliance with the FCPA. Simply reporting potential issues to a supervisor does not absolve you from all responsibility relating to improper conduct.

IV. REPORTING SUSPECTED VIOLATIONS OF THE FCPA OR THIS POLICY

The Company will try to prevent the disclosure of the identity of any employee who reports a suspected violation of the FCPA or this Policy without his or her permission, unless disclosure is unavoidable during an investigation. To facilitate the reporting of any suspected violation or noncompliance, the Company has established the following methods/procedures for employees to report violations:

- An employee may report any suspected noncompliance with this Policy to the Compliance Officer. The Compliance Officer, Luisa Ingargiola, can be reached directly as follows:

Address: Avalon GloboCare Corp.
Attention: Luisa Ingargiola, Chief Financial Officer
4400 Route 9 South
Suite 3100
Freehold, NJ 07728

Phone: 732-780-4400
Email: luisa@avalon-globocare.com

A complaint about a suspected violation should be factual rather than speculative or conclusory and should contain as much specific information as possible to allow for proper assessment. The complaint describing an alleged violation of the FCPA or this Policy should set forth all of the information that the employee knows regarding the allegation or concern.

V. EMPLOYEE OBLIGATIONS AND CONSEQUENCES

This FCPA Policy imposes several obligations on Company employees. These obligations will be enforced by the standard disciplinary measures available to the Company.

A. Reporting Obligations

Employees must immediately report to the Compliance Officer any suspected or actual violation of the FCPA by the Company or any of its officers, directors, or employees, or any other third-party such as agents, business partners, consultants, or others acting on the Company's behalf. Once an employee has made a report, the employee has an obligation to update the report as new information comes into his or her possession.

Under no circumstances shall the reporting of any such information or possible violation serve as a basis for any retaliatory actions to be taken against any employee making the report.

B. Third-party and Due Diligence Obligations

All Company employees have an obligation to ensure that third-party agents or business partners with whom you seek to establish a relationship on behalf of the Company are properly investigated to ensure compliance with the FCPA and this Policy. One step to ensure compliance is to conduct due diligence on agents or partners who conducts business in any foreign jurisdiction before entering into third-party relationships, contracts, or agreements.

The Company's Compliance Officer can provide you with guidance regarding the appropriate level of due diligence depending on the situation, and can direct you to individuals who can assist in performing this due diligence. If you have concerns about the type and scope

of diligence required by a particular situation, it is your responsibility to raise any questions or concerns with the Compliance Officer.

C. Employee Disciplinary Action

If an employee violates the FCPA or any provision of this Policy, or fails to cooperate in implementing this Policy, the employee will be subject to disciplinary action, which may include, but not be limited to, suspension, demotion, reduction in pay, reprimand, and termination.