

## YD BIO LIMITED

### RELATED PARTY TRANSACTIONS POLICY

This document sets forth the policy of YD Bio Limited, a Cayman Islands exempted company (the “Company”), with respect to the review, approval, ratification and disclosure of transactions or arrangements between the Company and its directors, executive officers and other related parties.

The Company recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its shareholders. The Company recognizes however that there are situations where Related Party Transactions may be in, or may not be inconsistent with, the best interests of the Company and its shareholders. Therefore, the Company has adopted the procedures set forth below for the review, approval, ratification and disclosure of all Related Party Transactions by the Company’s Audit Committee of the Board of Directors (the “Committee”). The Committee will have overall responsibility for the implementation and compliance with this Policy.

#### A. Related Party Transactions

For the purposes of this Policy, a “Related Party Transaction” is a consummated or currently proposed transaction (including, but not limited to, a financial transaction, arrangement or relationship, including any indebtedness or guarantee of indebtedness) or series of transactions in which the Company (including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$120,000, and in which any Related Party (as defined below) had, has or will have a direct or indirect material interest.

For purposes of this Policy, a “Related Party or Related Parties” means:

1. any party who is, or at any time since the beginning of the Company’s last fiscal year was, a director or executive officer of the Company or a nominee to become a director or executive officer of the Company;
2. any party (including any “group” as that term is used in Section 13(d)(3) of the U.S. Securities Exchange Act of 1934) who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities;
3. any immediate family member of any of the foregoing parties, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any party (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner (an “Immediate Family Member”); and
4. any firm, corporation or other entity in which any of the foregoing parties is employed or is a general partner or principal or in a similar position or in which such party has a 10% or greater beneficial ownership interest.

“Related Party Transactions” shall exclude all employment relationships or transactions involving an executive officer and any related compensation resulting solely from that employment relationship which have been reviewed and approved by the Company’s Board of Directors, Compensation Committee or group of independent directors of the Company performing a similar function.

## **B. Review and Approval Procedures**

Prior to entering into any Related Party Transaction, (a) the Related Party, (b) the director, executive officer, nominee or beneficial owner who is an Immediate Family Member of the Related Party, or (c) other officer responsible for the potential Related Party Transaction shall provide notice to the Committee of the facts and circumstances of the proposed Related Party Transaction.

Such notice shall include (i) the Related Party's relationship to the Company and interest in the transaction; (ii) the material facts of the proposed Related Party Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal and interest that would be involved and other principal terms of such indebtedness; (iii) the expected benefits to the Company of the proposed Related Party Transaction; (iv) if applicable, the availability of other sources of comparable products or services; and (v) an assessment of whether the proposed Related Party Transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.

If the Committee determines that the proposed transaction is a Related Party Transaction for purposes of this Policy, the proposed Related Party Transaction shall be submitted to the Committee for consideration at the next Committee meeting or through Committee resolution. In those instances where it is not practicable or desirable for the Company to wait until the next Committee meeting or Committee resolution signatures. The notice provided above can be sent and delegated to the Chair of the Committee (who will possess delegated authority to act between and on behalf of the Committee members)

The Committee, or where submitted to the Chair, the Chair, shall consider all of the relevant facts and circumstances available to the Committee or the Chair, including (if applicable) but not limited to: the benefits to the Company; the impact on a director's independence in the event the Related Party is a director, an Immediately Family Member of a director or an entity in which a director is a partner, shareholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to employees generally. The Committee may seek bids, quotes or independent valuations from third parties in connection with assessing any Related Party Transaction.

No member of the Committee shall participate in any review, consideration, approval or ratification of any Related Party Transaction with respect to which such member or any of his or her Immediate Family Members is the Related Party.

The Committee (or the Chair) shall approve only those Related Party Transactions that are in, or are not inconsistent with, the best interests of the Company, as the Committee (or the Chair) determines in good faith. The Committee or Chair, as applicable, shall convey the decision to the appropriate parties within the Company.

The Chair of the Committee shall report to the Committee at the next Committee meeting any approval under this Policy pursuant to delegated authority.

## **C. Ratification Procedures**

In the event that the Company's Chief Executive Officer, the Chief Financial Officer or the Committee becomes aware of a Related Party Transaction that has not been previously reviewed, approved or ratified under this Policy and that is ongoing or completed, such transaction shall be submitted to the Committee or Chair of the Committee promptly pursuant to the procedures described under "*B – Review and Approval Procedures*" above.

The Committee (or the Chair) shall review and consider all of the relevant facts and circumstances related to this transaction as provided under “*B – Review and Approval Procedures*” above and shall evaluate all options, including but not limited to ratification, rescission amendment or termination of the Related Party Transaction.

#### **D. Authority to Pre-Approve**

The Committee shall have the authority to (a) determine certain transactions or categories of transactions with Related Parties that are not considered Related Party Transactions for the purposes of this Policy given their nature, size and/or degree of significance to the Company and/or the immateriality of such transaction to the relevant Related Party, and not required to be individually reported to, reviewed by, and/or approved or ratified by the Committee, and (b) approve in advance certain transactions or categories of transactions with Related Parties that (unless the Committee determines otherwise in a particular instance) need not be individually reported to, reviewed by, and/or approved or ratified by the Committee but that will instead be reported to and reviewed by the Committee collectively on a periodic basis, which shall be at least annually, and shall not require ratification by the Committee.

#### **E. Annual Review of Ongoing Transactions**

From time to time, the Committee shall review any previously approved or ratified Related Party Transactions that remain ongoing and have a remaining term of more than six months or remaining amounts payable to or receivable from the Company. Based on all relevant facts and circumstances, taking into consideration the Company’s contractual obligations, the Committee shall determine if it is in the best interests of the Company and its shareholders to continue, modify or terminate the Related Party Transaction.

#### **F. Other Items**

The Committee shall review the Company’s related party transactions disclosures in its annual proxy statement, its annual report on Form 20-F filed with the SEC and other public disclosures.

The Committee will review this Policy at least annually and may recommend to the Board amendments to this Policy from time to time.