INFORMATION DOCUMENT

MILESTONE MEDICAL

prepared for the introduction of 2,000,000 shares of MILESTONE MEDICAL, INC. ("The Company", "The Issuer") common stock, par value $0.0001 to NewConnect, alternative trading system operated by the Warsaw Stock Exchange

This information document has been prepared in relation to seeking introduction of financial instruments referred to herein to trading in the alternative trading system operated by the Warsaw Stock Exchange.

Introduction of financial instruments to trading in the alternative trading system shall not be tantamount to admission or introduction of such instruments to trading on the regulated (main or parallel) market operated by the Warsaw Stock Exchange.

Investors should be aware of risks involved in investments in financial instruments listed in the alternative trading system and their investment decisions should be preceded by an appropriate analysis and, if necessary, consultations with an investment adviser.

The contents of this information document have not been approved by the Warsaw Stock Exchange for compliance of information provided therein with the facts or legal regulations.

OFFERING AGENT: WDM DOM MAKLERSKI

AUTHORISED ADVISER: WDM AUTORYZOWANY DORADCA

LEADING FINANCIAL ADVISER: WDM CAPITAL

FINANCIAL ADVISER: FILIPEX ENTERPRISES

Date of Information Document preparation: November 22, 2013

Introduction

Table 1 The Issuer

THE ISSUER	MILESTONE MEDICAL, INC. (earlier: Milestone Scientific Research and Development, Inc.)
Registered office/Office:	220 South Orange Avenue Livingston, NJ 07039, USA
Telephone number:	011-973-535-2717
Facsimile number:	011-973-535-2829
E-mail:	jdagostino@milestonescientific.com
Main website address:	www.medicalmilestone.com

Source: the Issuer

Table 2 Offering Agent

OFFERING AGENT	DOM MAKLERSKI WDM SPÓŁKA AKCYJNA
Registered office/Office:	Plac Powstańców Śląskich 1 lok. 201 53-329 Wrocław
Telephone number:	+48 71 79 11 555
Facsimile number:	+48 71 79 11 556
E-mail:	biuro@wdmsa.pl
Main website address:	www.wdmsa.pl

Source: Offering Agent

Table 3 Authorised Adviser

AUTHORISED ADVISER	WDM AUTORYZOWANY DORADCA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
Registered office/Office:	Plac Powstańców Śląskich 1 lok. 201 53-329 Wrocław
Phone:	+48 71 79 11 555
Facsimile number:	+48 71 79 11 556
E-mail:	biuro@wdmad.pl
Main website address:	www.wdmad.pl

Source: Authorised Adviser

Table 4 Leading Financial Adviser

LEADING FINANCIAL ADVISER	WDM CAPITAL USA, LLC
Registered office/Office:	**1221 Brickell Avenue, Suite 900, Miami, FL 33131 USA**
Phone:	**(+1) 561 705 5659**
E-mail:	**us@wdmcapital.com**
Main website address:	**www.wdmcapital.com**

Source: WDM Capital USA, LLC

Table 5 Financial Adviser

FINANCIAL ADVISER	FILIPEX ENTERPRISES, INC.
Registered office/Office:	**235 Montgomery St., Suite 912, San Francisco, CA 94104 USA**
Management Board:	**Andrew Filipek – President**

Source: Filipex Enterprises, Inc.

Table 6 Legal Advisers

LEGAL ADVISER	MORSE, ZELNICK, ROSE & LANDER LLP
Registered office/Office:	**405 Park Avenue, Suite 1401 New York, NY 10022-4405, USA**
E-mail:	**szelnick@mzrl.com**

Source: Morse, Zelnick, Rose & Lander LLP

LEGAL ADVISER	GESSEL, KOZIOROWSKI sp. k.
Registered office/Office:	**ul. Sienna 39, 00-121 Warszawa**
E-mail:	**mail@gessel.pl**
Main website address:	**www.gessel.pl**

Source: Kancelaria Gessel, Koziorowski Sp. k.

Number, type, unit nominal value and code of issue of financial instruments being a subject of the private placement

The instruments being introduced to the NewConnect, alternative trading system operated by the Warsaw Stock Exchange, on the basis of this Information Document are 2.000.000 (two million) shares of the Issuer's common stock, par value $0.0001 each.

INFORMATION TO INVESTORS (PROSPECTIVE PURCHASERS):

The shares introduced hereby are highly speculative, involve a high degree of risk and immediate dilution, and should be purchased only by persons who can afford the loss of their entire investment. See "Risk Factors" beginning on page 9 of this Information Document for a description of certain risk factors which should be considered by prospective purchasers of the Issuer's shares.

The Issuer's shares, which are introduced to NewConnect on the basis of this Information Document were offered only to Investors who are not U.S. Persons (as defined herein) pursuant to Regulation S under the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, those shares have not been registered under the Securities Act or the securities laws of any state, and have not been offered or sold in the United States or, directly or indirectly to U.S. Persons. Hedging transactions involving the shares may not be conducted unless in compliance with the Securities Act.

"United States" and "U.S. Person" are as defined by Regulation S under the Securities Act.

The Issuer's shares, which are introduced to NewConnect on the basis of this Information Document, have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any state securities authority, or any other authority, nor has any such commission or authority passed upon the accuracy or adequacy of the information contained in this Information Document. Any representation to the contrary is a criminal offense.

CAUTIONARY STATEMENTS AND NOTICES TO INVESTORS (PROSPECTIVE PURCHASERS):

NASAA UNIFORM LEGEND

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF MILESTONE MEDICAL, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SHARES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO NON-U.S. INVESTORS

IF YOU LIVE OUTSIDE THE UNITED STATES, IT IS YOUR RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES.

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1 Risk factors

An investment in the Company's shares involve a high degree of risk and may be considered speculative. Taking a decision on the Issuer's financial instruments, each potential investor should consider all of information and risk related to the Company's activity and market, on which it operates. Below is a summary of what is deemed to be the most significant risk factors, however it is not a complete list of risk factors and potential investors should remember this. Risk factors described below pertain to the circumstances identified by the Company at present. Each potential investor should be aware, that because of complexity and variability of an economic activity of the Company, additional risk factor may occur in the future (either they have not been described in this Information Document or they seem to have no impact on the Company's activity at present). Occurrence of described risk factors and those which have not been described herein may have a negative impact on financial or economic situation of the Issuer and may cause a loss of all or part of invested capital.

1.1 Risk factors connected with the Issuer's activity and environment in which the Issuer runs it's activity

The Issuer cannot become successful unless it gains market acceptance for its epidural system or intra-articular system

As with any new technology, there is substantial risk that the marketplace will not accept the potential benefits of the Issuer's epidural or intra-articular systems or be unwilling to pay for any cost differential with the existing technologies. Market acceptance of these systems depends, in large part, upon the Company's ability to educate potential customers of their distinctive characteristics and benefits and will require substantial marketing efforts and expense. The Issuer cannot assure that its current or proposed products will be accepted by practitioners or that any of the current or proposed products will be able to compete effectively against current and alternative products.

The Issuer has limited financial resources and it may need additional capital in the future

The Issuer's capital requirements have been and may continue to be significant. In the future, the Company may need to borrow funds or sell equity securities, or else curtail or reduce its activities. The Issuer has no current arrangements for future additional financing. It cannot assure that any sources of additional financing will be available on acceptable terms, or at all. To the extent that any future financing involves the sale of the Company's equity securities, the ownership interest of the Issuer's shareholders could be substantially diluted.

FDA rejection of the Issuer's 510(k) application or similar rejection by medical device regulatory authorities in the People's Republic of China for marketing clearance could subject the Company to more extensive FDA or Chinese regulatory authorities review

Milestone Scientific, on behalf of the Issuer has submitted the Issuer's epidural and intra-articular instruments and related disposables to the FDA for marketing clearance on 510(k) applications. This is a simplified short form notice procedure based on substantial equivalence of the new device to devices previously cleared for marketing. This is a simpler and significantly less timely and costly procedure than otherwise seeking FDA marketing approval. Beijing 3H will make similar submission in the People's Republic of China for marketing clearance by medical device regulatory authorities. If the FDA rejects the 510(k) application or Chinese regulatory authorities reject the initial application in China for marketing clearance, the Company would be subject to additional delay in commencement of marketing and sale of its epidural and intra-articular system in the United States and the People's Republic of China, while Milestone Scientific conducts clinical testing and assembles the required data. This could subject the Issuer to significant costs and delay.

The Issuer may be subject to product liability claims that are not fully covered by insurance and that could put the Company under financial strain

The Issuer could be subject to claims for personal injury from the alleged malfunction or misuse of its epidural and intra-articular system once it commences commercial sales. While the Company intends to carry liability insurance that it believes is adequate, the Issuer cannot assure that the insurance coverage will be sufficient to pay such claims should they be successful. A partially or completely uninsured claim, if successful and of significant magnitude, could have a material adverse effect on the Company.

The Issuer is a development stage company with no history of operations and no previously generated revenues. Continuing losses could exhaust its capital resources and force the Company to discontinue operations or seek protection under the Bankruptcy Laws

The Issuer is a development stage company with no history of operations and no previously generated revenues. Continuing losses could exhaust its capital resources and force the Company to discontinue operations. Since inception on March 8, 2011, the Issuer has incurred losses including net losses of approximately $1.17 million for 2012, approximately $1.84 million for the period from inception through June 30, 2013 and $427,921 for the six months ended June 30, 2013. At June 30, 2013, the Issuer had an accumulated deficit of approximately $1.843 million. Above factors, along with some other matters as set forth in Note 1 to the Company's financial statements, placed in section 5.2 of this Information Document has caused the auditors to express concern about, which concern is explicitly noted, the Issuer's ability to continue as a going concern, indicated by the Company's auditor in the report of independent registered public accounting firm.

Unless the Company can generate revenues from its epidural instrument and related disposables or its intra-articular instrument and related disposables, the Company's existence may be impaired. Further, if the proceeds of around $3 million procured from the offering conducted in Poland are insufficient to enable the Issuer to achieve positive cash flow, the Company will be

forced to seek additional capital, which if it is not available could force it to seek protection under the U.S. Bankruptcy Laws and might sharply reduce or eliminate any value for the Issuer's shares or cause the cancellation of these shares without payment to the existing shareholders (more details are presented in section 3.4.5 of this Information Document).

The Issuer has a working capital deficit. As a result, it has not been able to hire full time management team

The Issuer's working capital deficit at June 30, 2013 was approximately $31,000. This has impaired the Company's ability to hire a full time management team and develop an adequate sales force to find and engage distributors to market and sell this system where FDA marketing clearance or relevant clearance necessary in the European Union is not required or in the United States and other markets once these clearances are obtained.

The Issuer's limited distribution channels must be expanded for the Company to become successful

The Issuer's future revenues depend on its ability to market and distribute its epidural instrument and related disposables successfully. In the United States, the Issuer's 50% parent Milestone Scientific will serve as the Company's exclusive distributor. Milestone Scientific, in turn, has entered into an exclusive distribution agreement with Tri-Anim Health Services, Inc. to market the Issuer's epidural instrument and related disposables to healthcare facilities, the acute care market, long term acute care and US Government acute care facilities, excluding free-standing, non-hospital affiliated pain management clinics and private pain practices. Milestone Scientific intends to seek a new distributer for these excluded markets or, alternatively, develop a sales force to directly market the Issuer's epidural instrument to these markets. To be successful the Company will need to establish distribution relationship with other distributors in the United States and elsewhere hire and retain additional marketing and sales personnel, provide for their proper training and ensure adequate customer support. The Issuer cannot assure that it will be able to establish additional distributor relationships, hire and retain an adequate marketing and sales force or engage suitable distributors, or that the Company's sales force or distributors will be able to successfully market and sell its products.

The Issuer has no experience in managing growth. If it fails to manage its growth effectively, the Company may be unable to execute its business plan or address competitive challenges adequately

The Issuer currently has only three part-time employees. Any growth in its business will place a significant strain on its managerial, administrative, operational, financial, information technology and other resources. The Company intends to further expand its overall business, customer base, employees and operations, which will require substantial management effort and significant additional investment in its infrastructure. The Issuer will be required to continue to improve its operational, financial and management controls and its reporting

procedures and it may not be able to do so effectively. As such, the Company may be unable to manage its growth effectively.

The Issuer's working capital requirements involve estimates based on demand expectations and may decrease or increase beyond those currently anticipated, which could harm its operating results and financial condition

The Issuer has no experience in selling its epidural or intra-articular injection system on a commercial basis. As a result, the Company intends to base its funding and inventory decisions on estimates of future demand. If demand for the Issuer's products does not increase as quickly as it has estimated or drops off sharply, the Company's inventory and expenses could rise, and its business and operating results could suffer. Alternatively, if the Company experiences sales in excess of its estimates, its working capital needs may be higher than those currently anticipated. The Issuer's ability to meet any demand for its products may depend on its ability to arrange for additional financing for any ongoing working capital shortages, since it is likely that cash flow from sales will lag behind the Company's investment requirements.

The Issuer expects to depend on two principal manufacturers. If it cannot maintain its relationships with these suppliers, or develop new ones, commencement of operations could be delayed or curtailed

The Issuer has informal arrangements with the expected manufacturer of a commercial version of its epidural instrument and the expected principal manufacturer of disposables for that instrument pursuant to which they will manufacture these products under specific purchase orders but without any long-term contract or minimum purchase commitment. Termination of the manufacturing relationship with any of these manufacturers could significantly and adversely affect the Company's ability to produce and sell its products. However, alternate sources of supply exist, although the Company would need to recover its tools provided to these suppliers or have new tools produced to establish relationships with new suppliers. Establishing new manufacturing relationships could involve expense and delay. Any curtailment or interruptions of the supply, whether or not as a result or termination of the relationship, would adversely affect the Issuer.

The Issuer relies on the continuing services of its Chief Executive Officer, Chief Financial Officer, Director of Engineering and Regulatory Affairs and Clinical Director and Director of Research and Development

The Issuer depends on the personal efforts and abilities of its Chief Executive Officer, Chief Financial Officer and Director of Engineering and Regulatory Affairs and Clinical Director and Director of Research and Development. The Issuer expects to obtain and then maintain key man life insurance policy in the amount of $1,000,000 on the life of its Chief Executive Officer. However, the loss of his services or those of the Company's Chief Financial Officer and Director of Engineering and Regulatory Affairs and Clinical Director and Director of Research and

Development, on whom the Issuer will maintain no insurance, could have a materially adverse effect on its business.

Sale of capital equipment, such as the Issuer's epidural and intra-articular instruments is subject to overall macro-economic conditions

Sale of capital equipment, such as the Issuer's epidural and intra-articular instruments is subject to overall macro-economic conditions. When these conditions are unfavorable, as recently experienced in the US, sales of capital equipment become more difficult, although this difficulty was somewhat off-set by low interest rates making it less costly to invest in such equipment. A return to unfavorable economic conditions could have a negative impact on the Issuer's future sales.

The Issuer's 2.000.000 shares of common stock that are introduced to NewConnect were offered in Poland while the Issuer is subject to US and Delaware laws, including regulations of the SEC, which could subject purchasers of the shares to different and possibly conflicting regulations

Purchasers of the Issuer's 2.000.000 shares of common stock, which are introduced to NewConnect, are subject to Polish tax, securities and possibly other Polish laws while the Issuer is subject to US and Delaware laws, including regulations of the SEC. These laws and underlying regulations may differ or conflict, which could subject purchasers of introduced Issuer's shares to adverse regulations, including unexpected limitations on sale of their shares or unfavorable tax treatment.

Changing laws and regulations could negatively impact the Issuers future operations, subject the Issuer to added and unexpected expenses and make it more difficult for the Issuer to carry out its business plan

The Issuers business is subject to stringent government regulation including those of the US FDA and similar medical device regulatory agencies in China and other jurisdictions in which it plans to sell its instruments. These laws are subject to change and changing laws and regulations could negatively impact the Issuers future operations, result in delays in marketing its products, subject the Issuer to added and unexpected expenses in record keeping, safety testing and manufacturing its products and make it more difficult for the Issuer to carry out its business plan.

1.2 Risk factors related to owning the Issuer's shares of common stock

The Issuer is controlled by a limited number of shareholders

On the date of Information Document preparation the Company's principal shareholder, Milestone Scientific, owns approximately 45.45% of the issued and outstanding shares of the Issuer's common stock. A small group of individual founding shareholders also own approximately 45.45% of the Company's outstanding shares. As a result, they have the ability to exercise substantial control over the Issuer's affairs and corporate actions requiring shareholder approval, including electing directors, selling all or substantially all of the Issuer's assets, merging with another entity or amending the Company's Certificate of Incorporation. This de facto control could delay, deter or prevent a change in control and could adversely affect the price that investors might be willing to pay in the future for the Issuer's securities.

Although specific uses of proceeds are set forth in this Information Document, management retains discretion over the use of proceeds and may use the proceeds in ways that do not improve the Issuer's operating results or the market value of its securities

While the Issuer has specified specific uses for the net proceeds, that allocation may change in response to a variety of unanticipated events, such as differences between the Company's expected and actual revenues from operations as unexpected expenses or expense overruns. The Issuer has significant flexibility as to the timing and the use of the proceeds and the Issuer may spend proceeds from the offering made in Poland in ways with which investors may not agree. If the Company fails to apply these funds effectively, its business, results of operations and financial condition may be materially and adversely affected.

1.3 Risk factors connected with the Issuer's shares listing on NewConnect

After introduction of the Issuer's shares of common stock to NewConnenct, the Company will be subject to two legal systems – Polish and American

After introducing the Company's shares to the NewConnect market, the Company will be subject to two legal systems – Polish and American. As a result, additional legal and operational risks, which the Issuer is unable to predict right now, might occur. They may relate to the Issuer's contacts with the shareholders and the capital market institutions.

There is also a possibility that the Issuer's common stock may be cancelled for no remuneration, if the Issuer is ever subject to bankruptcy proceedings under the U.S. Bankruptcy Code

Federal bankruptcy laws govern how companies go out of business or recover from crippling debt. A bankrupt company, the "debtor," might use **Chapter 11** of the **Bankruptcy Code** to "reorganize" its business and try to become profitable again. Management continues to run the day-to-day business operations but all significant business decisions must be approved by a bankruptcy court.

Under **Chapter 7** of the Bankruptcy Code, the company stops all operations and goes completely out of business. A trustee is appointed to "liquidate" (sell) the company's assets and the money is used to pay off the debt, which may include debts to creditors and investors.

The investors who take the least risk are paid first. For example, secured creditors take less risk because the credit that they extend is usually backed by collateral, such as a mortgage or other assets of the company. They know they will get paid first if the company declares bankruptcy.

Bondholders have a greater potential for recovering their losses than shareholders, because bonds represent the debt of the company and the company has agreed to pay bondholders interest and to return their principal. Shareholders own the company, and take greater risk. They could make more money if the company does well, but they could lose money if the company does poorly. The owners are last in line to be repaid if the company fails. Bankruptcy laws determine the order of payment.

A company's securities may continue to trade even after the company has filed for bankruptcy under Chapter 11 of the Bankruptcy Code. In most instances, companies that file under Chapter 11 of the Bankruptcy Code are generally unable to meet the listing standards to continue to trade on Nasdaq, the New York Stock Exchange or other stock exchanges (depends on regulations applied to different stock exchanges). However, even when a company is delisted from one of stock exchanges, their shares may continue to trade on either the OTCBB or the Pink Sheets or other OTC market. There is no federal law that prohibits trading of securities of companies in bankruptcy.

Investors should be cautious when buying common stock of companies in Chapter 11 of the Bankruptcy Code. It is extremely risky and is likely to lead to financial loss. Although a company may emerge from bankruptcy as a viable entity, generally, the creditors and the bondholders become the new owners of the shares. **In most instances, the company's plan of reorganization will cancel the existing equity shares.** This happens in bankruptcy cases because secured and unsecured creditors are paid from the company's assets before common shareholders. And in situations where shareholders do participate in the plan, their shares are usually subject to substantial dilution.

If you are a shareholder, the trustee may ask you to send back your old stock in exchange for new shares in the reorganized company. The new shares may be fewer in number and may be worth less than your old shares. The reorganization plan will spell out your rights as an investor, and what you can expect to receive, if anything, from the company.

The bankruptcy court may determine that shareholders don't get anything because the debtor is insolvent (a debtor's solvency is determined by the difference between the value of its assets and its liabilities.) If the company's liabilities are greater than its assets, shareholder’s shares of common stock may be worthless.

The Issuer's common stock that will be listed on NewConnect market can be illiquid and characterized by low and/or erratic trading volume

Prices of the shares traded in NewConnect market are volatile and depend on the unpredictable changes in supply and demand forces. Moreover, NewConnect is characterized by the relatively low liquidity. Therefore there is a risk that investor acquiring the Issuer's shares of common stock, will not be able to sell them with the satisfactory price and/or assumed volume. Investors should account for the risk of experiencing loss as a result of selling the stocks at the price lower than the buy price and also temporary inability to sell acquired stocks.

After introduction of the Issuer's shares of common stock to NewConnect, the Alternative System Organizer may reprimand the Issuer, impose a fine on the Issuer and suspend or delist trading on the Issuer's financial instruments traded on NewConnect market

According to § 17c of the ATS Rules, if the Issuer fails to comply with the rules or regulations applicable in the Alternative Trading System ("ATS") or fails to perform or inappropriately performs the obligations set out in the ATS Rules, in particular the obligations set out in § 15a, § 15b, § 17 - § 17b, the Alternative System Organizer may, depending on the degree and scope of the occurring violation or irregularity:

- reprimand the Issuer,
- impose a fine of up to PLN 50,000 on the Issuer.

The Alternative System Organizer taking a decision to impose on the Issuer the penalty of reprimand or a fine may set a time limit for the Issuer to cease the existing violations or take measures in order to prevent such violations in the future, in particular it may require the Issuer to publish specific documents or information in the procedure and on the conditions applicable in the ATS.

If the Issuer fails to complete the imposed penalty or, despite the imposed penalty, still fails to comply with the rules or regulations applicable in the ATS or fails to perform or inappropriately performs the obligations set out in the ATS Rules, or fails to perform the obligations imposed on the Issuer under the ATS Rules, the Alternative System Organizer may:

- impose a fine on the Issuer, however, the fine together with the fine imposed under the ATS Rules shall not be more than PLN 50,000;
- suspend trading in the Issuer's financial instruments in the ATS;
- delist the Issuer's financial instruments from the ATS.

Moreover, according to § 11 of the ATS Rules, the Alternative System Organizer may suspend trading in the Issuer's financial instruments being listed in the ATS for not more than 3 months:

- if so requested by the Issuer and
- if it considers this necessary to protect the safety of trading or the interest of its participants.

In cases set out in law, the Alternative System Organizer shall suspend trading in the Issuer's financial instruments listed in the ATS for not more than a month.

According to article 78 (section 2 and 3) of the Act on Trading in Financial Instruments, on demand of Polish Financial Supervision Authority, if safety of trading in the ATS requires or there is a risk of violation of participant's interest, the Alternative System Organizer delays introducing of the Issuer's financial instruments to the ATS or delays trading on them for a period no longer than 10 days. If trading on the Issuer's financial instruments is realized under such circumstances that could indicate the possibility of:

- improper functioning of the ATS;
- safety of trading risk occurrence in the ATS, or
- violation of participants' interest,

on demand of Polish Financial Supervisory Authority, the Alternative System Organizer suspends trading on those financial instruments for not more than 1 month.

According to § 12 of the ATS Rules, the Alternative System Organizer may delist Issuer's financial instruments being listed in the ATS:

- if so requested by the Issuer; however, such decision may be dependent on meeting additional requirements by the Issuer;
- if it considers this necessary to protect the interests and safety of trading participants;
- if the Issuer's bankruptcy is declared or the petition in bankruptcy is dismissed by the court because the Issuer's assets are insufficient to cover the costs of the proceedings;
- if the Issuer is placed in liquidation;
- if a decision is made to merge the Issuer with another entity, to split it or to transform it, but financial instruments may not be delisted earlier than the date of the merger, the date of the split (spin-off), or the date of the transformation.

Moreover, The Alternative System Organizer shall delist financial instruments from the ATS:

- in cases set out in law;
- if their transferability has become restricted;

- if they are no longer dematerialized;
- 6 months of the validity date of a decision on declaration of bankruptcy of the Issuer including liquidation of its assets or court decision to dismiss a petition for declaration of bankruptcy because the Issuer's assets are insufficient to cover the costs of proceedings.

Before making a decision to delist financial instruments, the Alternative System Organizer may suspend trading in the Issuer's financial instruments listed in the ATS.

According to article 78 (section 4) of the Act on Trading in Financial Instruments, on demand of Polish Financial Supervision Authority, the Alternative System Organizer delists the Issuer's financial instruments being listed in the ATS, if trading on them jeopardize significantly:

- proper functioning of the ATS;
- safety of trading in the ATS, or
- violation of participants' interest.

If the Issuer's shares are removed or delisted from the ATS, the ability of shareholders to sell the Company's shares could be restricted

The Issuer's shares introduced to NewConnect are "restricted securities" and must be held for at least one year before they are eligible for public sale (except from NewConnect). The only market for these shares will be NewConnect on the WSE. If the Company's shares were to be removed from listing or otherwise delisted on the WSE there would be no public market for the shares and prior to one year from the issuance date could only be sold in private transactions to persons who agree to acquire for investment and without a distribution. After one year the shares could still only be sold in private transactions but persons would not have to agree to take for investment and without a view to distribution. These restrictions result from the Regulation S and the Act on Securities that imposes additional obligations on the Issuer whenever it decides to register its shares under the Act on Securities – this restrictions are fully described in Chapter 3.1.2 of the Information Document in the section entitled "Restrictions resulting from the Regulation S and the Act on Securities". Trading of the shares on NewConnect would be exempted from the above restrictions pursuant to US SEC Regulation S, which restricts shares being issued and as such cannot be publicly sold for one year after issuance, except for transactions by the initial investor on a "Designated Offshore Securities Market," a term which includes the WSE markets.

The Issuer's shares will be quoted in PLN and financial results of the Issuer's are reported in USD, which exposes investors, who will buy those shares to currency risk

The Issuer's shares will be quoted in the ATS in PLN while the Company's financial results are reported in USD. Thus, investors should be aware of the currency risk relating to the share price. Significant fluctuations in the USD/PLN exchange rate may influence the value of the stock and the share price denominated in PLN.

After introduction of the Issuer's shares to the ATS, the Polish Financial Supervisory Authority may impose administrative penalties on the Issuer

According to article 10 section 5 of the Act on Public Offering, no later than 14 days from the date of the Issuer's financial instruments introduction to the ATS, the Company is obligated to send notice of its financial instruments introduction to the ATS to Polish Financial Supervision Authority in order to make an appropriate entry in financial instruments register, defined in article 10 section 1 of the Act on Public Offering. If the Issuer executes improperly or does not execute above mentioned duty at all, Polish Financial Supervision Authority may impose a fine up to PLN 100.000 on the Company.

Additionally, companies which shares are traded on the ATS are deemed to be public companies according to the Act on Public Offering. If the Issuer fails to comply with the rules or regulations regarding public companies (denoted in the Act on Public Offering and the Act on Trading in Financial Instruments) Polish Financial Supervision Authority may impose a fine up to PLN 100.000 or apply other sanctions on the Issuer. These sanctions may particularly result from Articles 96-97 of Act on Public Offering and Articles 169-174 of Act on Trading in Financial Instruments. Polish Financial Supervisory Authority may also impose a fine up to PLN 100.000 or other sanction on the Issuer in situation of violation of legal duties, indicated in article 157, 158, 160 and article 5 of the Act on Trading in Financial Instruments (article 176 and 176a of this Act), by the Company.

2 Declarations of persons responsible for information contained in the Information Document

Table 7 The Issuer

THE ISSUER	MILESTONE MEDICAL, INC. (earlier: Milestone Scientific Research and Development, Inc.)
Registered office/Office:	**220 South Orange Avenue Livingston, NJ 07039, USA**
Telephone number:	**011-973-535-2717**
Facsimile number:	**011-973-535-2829**
E-mail:	**jdagostino@milestonescientific.com**
Main website address:	**www.medicalmilestone.com**

Source: the Issuer

Represented by:

Leonard A. Osser – Chief Executive Officer and Director.

The Issuer is responsible for all information included in the content of the Information Document.

Statement of the Issuer:

According to my best knowledge and with due care exercised to ensure, information contained in the Information Document is true, fair and reflects the facts and the Information Document does not omit anything that could affect its significance and valuation of financial instruments introduced to trading, and the document provides a reliable description of risk factors related to participation in trading in given instruments.

Leonard A. Osser
Chief Executive Officer and Director
Milestone Medical, Inc.

Table 8 Authorised Adviser

AUTHORISED ADVISER	WDM AUTORYZOWANY DORADCA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
Registered office/Office:	**Plac Powstańców Śląskich 1 lok. 201 53-329 Wrocław**
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Source: Authorised Adviser

Represented by:

Sławomir Cal - Całko – President of Management Board,
Szymon Urbański – Vice-president of Management Board.

Statement of Authorised Adviser:

The Information Document has been prepared in accordance with requirements set out in Exhibit 1 to the Alternative Trading System Rules adopted by the Warsaw Stock Exchange Management Board by Resolution No. 147/2007 of 1 March 2007 (as amended).

According to our best knowledge and pursuant to documents and information provided to us by the Issuer, information contained in the Information Document is true, fair and reflects the facts and the Information Document does not omit anything that could affect its significance and valuation of financial instruments introduced to trading, and the document provides a reliable description of risk factors related to participation in trading in given instruments.

Sławomir Cal-Całko
President of Management Board
WDM Autoryzowany Doradca Sp. z o.o.

Szymon Urbański
Vice-president of Management Board
WDM Autoryzowany Doradca Sp. z o.o.

3 Information about financial instruments introduced in the alternative trading system

3.1 Detailed specification of types, number and total value of financial instruments including types of privileges, any restrictions on transfer of rights attached to financial instruments and safety measures or additional benefits

The instruments being introduced to the NewConnect, alternative trading system operated by the Warsaw Stock Exchange, on the basis of this Information Document are 2.000.000 (two million) shares of the Issuer's common stock, par value $0.0001 each.

Information about subscription or sale of financial instruments concerned by the application for introduction which took place within the last 12 months preceding the date of submission of the application for introduction

To the extent set out in § 4.1 of Exhibit 3 to the ATS Rules, the Issuer provides the following information about the completion of subscription related to introduction of the Issuer's shares of common stock to trading in the ATS:

1. ***Start and end dates of subscription:***

The subscription of the Issuer's shares of common stock was held between October 7, 2013 and October 18, 2013

2. ***Date of allotment of financial instruments:***

The date of allotment of the Issuer's shares of common stock was October 18, 2013 (the date of signing shares purchase agreements with investors).

3. ***Number of financial instruments subject to subscription:***

The Issuer offered in Private Placement up to 2,400,000 shares of the Company's common stock.

4. ***Rate of reduction in each tranche if the number of financial instruments allotted was smaller than the subscribed number in at least one tranche:***

There was no rate of reduction since the number of the Issuer's shares of common stock allotted was smaller than the subscribed number of shares. In this Private Placement there was no different tranches – all the Issuer's shares of common stock were offered only to Institutional Investors.

5. ***Number of financial instruments allotted in the course of subscription:***

The Issuer allotted 2.000.000 (two million) shares of its common stock.

6. ***Acquisition (taking up) price of financial instruments:***

After book-building process which was held from September 16, 2013 to October 4, 2013 the final Issue Price of the Issuer's shares of common stock, that are introduced to the ATS, was fixed and determined by the Issuer's Board of Directors in consultation with the Offering Agent on the level of 4,65 PLN (approximately $1.50) for each.

7. ***Number of persons that subscribed for financial instruments subject to subscription:***

There were 11 (eleven) Institutional Investors, who subscribed for the Issuer's shares of common stock, that are introduced to the ATS - according to Private Placement Institutional Investors included legal entities resident in Poland or outside of Poland (except for US Persons), as well as investment funds, asset management companies managing portfolios of securities on behalf of their clients.

8. ***Number of persons that were allotted financial instruments in the course of subscription:***

There were 11 (eleven) Institutional Investors, whom the Issuer's shares of common stock were allotted to.

9. ***Names (business names) of underwriters that took up financial instruments under underwriting agreements, the number of financial instruments taken up by them and the actual price of financial instrument unit (issue price or sale price less underwriting fee for taking up a financial instrument unit acquired by the underwriter under an underwriting agreement):***

In the Private Placement of the Issuer's shares of common stock, that are introduced to the ATS, there were no underwriters.

10. ***Total costs classified as issue costs:***

The Issuer's incurred the issue costs of the amount equal to approximately $475,000, which consist of:

- Costs of preparing and implementation of the offering – approximately $450,000, including the Offering Agent fee, legal and accounting expenses;
- Fees for each underwriter – there were no underwriters;

- Costs of preparing a public information document or information document, including advisory costs – approximately $25,000;
- Costs of promoting the offering – there were no costs of promoting the offering since the Issuer's shares of common stock, introduced to the ATS, were offered in Private Placement process.

Methods of setting above costs in books of account and recognising them in the Issuer's financial statement:

The expenses of the offering will be treated as an offset to the amount raised from the sale of shares and will thus be reflected in Paid-in Capital.

3.1.1 Privileges, rights and limitations

The privileges, rights and limitations applicable to the shares being offered by the Issuer are as follows:

1. The holders of outstanding shares of common stock are entitled to receive dividends out of legally available assets when and to the extent determined by the Issuer's Board of Directors from time to time.
2. Each shareholder is entitled to one vote for each share held by him on each matter submitted to a vote of shareholders. At an election of Directors, each Director is elected by a plurality of the voting shares of common stock.
3. The shares of common stock are not entitled to preemptive rights and are not convertible or redeemable.
4. In the case of a liquidation, dissolution or other termination of the Issuer's business, the holders of common stock are entitled to share ratably in the distribution of all of its assets remaining available for distribution after all of the Company's liabilities have been satisfied and any preferential distributions have been made to holders of Preferred Stock then outstanding.
5. Each outstanding share of common stock is, and all shares of common stock to be outstanding after this Offering is completed, will be fully paid and non-assessable.

3.1.2 Restrictions on transfer of rights attached to the Issuer's shares of common stock

Restrictions resulting from the Issuer's Certificate of Incorporation

The Issuer's Certificate of Incorporation does not restrict the transfer of the Issuer's shares of common stock in any way.

Restrictions resulting from the Issuer's Bylaws

According to the Issuer's Bylaws Article VI, Section 3 "Transfer of Shares", shares of stock shall be transferable only on the books of the Company by the holder thereof in person or by the holder's duly authorized attorney. Upon surrender to the Company or the transfer agent of the Company of a certificate representing shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Company or the transfer agent of the Company to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Restrictions resulting from the General Corporation Law of the State of Delaware

According to the General Corporation Law of the State of Delaware ("GCLSD") Chapter 1 Section 202, a written restriction or restrictions on the transfer or registration of transfer of a security of a corporation, or on the amount of the corporation's securities that may be owned by any person or group of persons, if permitted by this section and noted conspicuously on the certificate or certificates representing the security or securities so restricted or, in the case of uncertificated shares, contained in the notice or notices sent pursuant to § 151(f) of the GCLSD, may be enforced against the holder of the restricted security or securities or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the certificate or certificates representing the security or securities so restricted or, in the case of uncertificated shares, contained in the notice or notices sent pursuant to § 151(f) of the GCLSD, a restriction, even though permitted by this section, is ineffective except against a person with actual knowledge of the restriction.

A restriction on the transfer or registration of transfer of securities of a corporation, or on the amount of a corporation's securities that may be owned by any person or group of persons, may be imposed by the certificate of incorporation or by the bylaws or by an agreement among any number of security holders or among such holders and the corporation. No restrictions so imposed shall be binding with respect to securities issued prior to the adoption of the restriction unless the holders of the securities are parties to an agreement or voted in favor of the restriction.

A restriction on the transfer or registration of transfer of securities of a corporation or on the amount of such securities that may be owned by any person or group of persons is permitted by this section if it:

- obligates the holder of the restricted securities to offer to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing, a prior opportunity, to be exercised within a reasonable time, to acquire the restricted securities; or
- obligates the corporation or any holder of securities of the corporation or any other person or any combination of the foregoing, to purchase the securities which are the subject of an agreement respecting the purchase and sale of the restricted securities; or

- requires the corporation or the holders of any class or series of securities of the corporation to consent to any proposed transfer of the restricted securities or to approve the proposed transferee of the restricted securities, or to approve the amount of securities of the corporation that may be owned by any person or group of persons; or
- obligates the holder of the restricted securities to sell or transfer an amount of restricted securities to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing, or causes or results in the automatic sale or transfer of an amount of restricted securities to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing; or
- prohibits or restricts the transfer of the restricted securities to, or the ownership of restricted securities by, designated persons or classes of persons or groups of persons, and such designation is not manifestly unreasonable.

Any restriction on the transfer or the registration of transfer of the securities of a corporation, or on the amount of securities of a corporation that may be owned by a person or group of persons, for any of the following purposes shall be conclusively presumed to be for a reasonable purpose:

- maintaining any local, state, federal or foreign tax advantage to the corporation or its shareholders, including without limitation:
  - maintaining the corporation's status as an electing small business corporation under subchapter S of the United States Internal Revenue Code;
  - maintaining or preserving any tax attribute (including without limitation net operating losses), or
  - qualifying or maintaining the qualification of the corporation as a real estate investment trust pursuant to the United States Internal Revenue Code or regulations adopted pursuant to the United States Internal Revenue Code.
- maintaining any statutory or regulatory advantage or complying with any statutory or regulatory requirements under applicable local, state, federal or foreign law.

Any other lawful restriction on transfer or registration of transfer of securities, or on the amount of securities that may be owned by any person or group of persons, is permitted by this section of GCLSD.

Restrictions resulting from the Act on Trading in Financial Instruments

The Issuer's shares trading, as public company's shares trading, are subjected to restrictions indicated in the Act on Trading in Financial Instruments.

According to article 161a of the Act on Trading in Financial Instruments the prohibitions and requirements referred to in articles 156-160, including those resulting from the regulations issued under article 160 section 5, shall apply to cases specified in article 39 section 4 of the Act on Trading in Financial Instruments and shall apply to either financial instruments admitted and

sought to be admitted to exchange trading on the WSE Main List or to financial instruments introduced or sought to be introduced to the ATS.

Article 156 section 1 and 2 of the Act on Trading in Financial Instruments enumerates "Insiders". Insider is anyone who gains inside information by virtue of membership in the governing bodies of the company, by virtue of an interest in the capital of the company, or as a result of having access to inside information in connection with employment, practiced profession, or a mandate contract or any other contract of a similar nature, and in particular:

- the members of the management board, supervisory board, proxies or attorneys-in-fact of the issuer, its employees, qualified auditors or other persons related to the issuer under any mandate contract or any legal relation of a similar nature, or
- shareholders of a public company, or
- persons employed or holding posts referred to in the first point in the subsidiary or parent entity of the issuer of financial instruments admitted or sought to be admitted to trading on the regulated market, or bound with such entity under a mandate contract or any other legal relation of a similar nature, or
- brokers or advisers, or

Moreover, Insider is anyone who gains inside information through criminal activities or gains inside information in a manner other than described in above, if such person has known or, acting with due diligence, could have known such information to be inside information.

According to article 156 section 3 of the Act on Trading in Financial Instruments in situation of gaining inside information by legal person or organizational unit without legal personality, prohibition indicated in article 156 section 1 of the Act on Trading in Financial Instruments, concerns also natural persons, who are engaging in decision making process on behalf or for the benefit of this legal person or organizational unit without legal personality.

According to article 156 section 4 of the Act on Trading in Financial Instruments, use of inside information is in situation of:

- acquiring or disposal of financial instruments on personal account or third party account on the basis of inside information possessed by these persons, or
- making other legal action on personal account or third party account, in that way such action cause or can cause disposal of such financial instruments, if those instruments are introduced to the ATS among others.

Additionally, according to article 156 section 5 and article 161a section 1 based on article 39 section 4 of the Act on Trading in Financial Instruments, disclosure of inside information is passing, enabling and facilitating the entry into a possession of inside information by unauthorized person, and this inside information concerns:

- one or several issuers or financial instruments' drawers, or
- one or several financial instruments, or
- acquiring or disposal of financial instruments introduced to the ATS,

all mentioned in article 156 section 4 of the Act on Trading in Financial Instruments.

According to article 159 of the Act on Trading in Financial Instruments during a restricted period, indicated in article 159 section 2 of the Act on Trading in Financial Instruments, Insiders (persons enumerated in Article 156 section 1 point 1) letter a) of the Act on Trading in Financial Instruments) may not acquire or dispose of, for their own account or for the account of a third party, any of the issuer's shares, derivative rights attached thereto or other financial instruments related to such shares, and may not take for their own account or for the account of a third party any other legal transactions which lead or might lead to the disposal of such financial instruments. Moreover, according to article 159 section 1a of Act on Trading in Financial Instruments during a restricted period, the persons listed in Article 156 section 1 point 1) letter a) of the Act on Trading in Financial Instruments, acting on behalf of a legal person, may not undertake any activities with the aim to acquire or dispose of by this person for its own account or for the account of a third party any of the issuer's shares, derivative rights attached thereto or other financial instruments related to such shares, take actions which result, or may result in the disposal of such financial instruments by this person, for its own account or for the account of a third party.

The above described restrictions of article 156 of Act on Trading in Financial Instruments shall not apply to activities performed by:

- the entity conducting investment services, to whom the person referred to in article 156 of the Act on Trading in Financial Instruments has commissioned the management of financial instrument portfolio in a manner which excludes the interference of this person in investment decisions taken on its account, or
- an obligation of a contract to dispose of or acquire the issuer's shares, derivative rights attached thereto and other financial instruments related with them, concluded in writing with the date certified by a notary public, concluded before the opening of the restricted period, or
- as a result of submission by the person referred to in article 156 of the Act on Trading in Financial Instruments, a written response to a tender offer for the sale or exchange of shares, in accordance with the provisions of the Act on Public Offering, or
- in connection with the obligation of submission by person referred to in article 156 of the Act on Trading in Financial Instruments, a request to a tender offer for the sale or exchange of shares, in accordance with the provisions of the Act on Public Private Placement, or
- in connection with the execution by the current issuer's existing shareholder rights, or

- in connection with the offer addressed to the staff or the staff of the statutory bodies of the issuer, provided that the information on such an offer is made publicly available concluded before the opening of the restricted period.

According to article 159 section 2 of the Act on Trading in Financial Instruments, restricted period shall mean:

- the period between the time when a natural person referred to in article 156 of the Act on Trading in Financial Instruments gains inside information concerning the issuer or the financial instruments referred to in article 159 section 1, which meet the conditions specified in article 156 section 4 and the time when such information is made public;
- in the case of an annual report – the period of two months preceding the publication of such report or, if shorter, the period between the end of a given financial year and the publication of such report, unless a natural person referred to in article 156 had no access to the financial data on the basis of which such report was prepared;
- in the case of a semi-annual report – the period of one month preceding the publication of such report or, if shorter, the period between the end of a given half year and the publication of such report, unless a natural person referred to in article 156 had no access to the financial data on the basis of which such report was prepared;
- in the case of a quarterly report – the period of two weeks preceding the publication of such report or, if shorter, the period between the end of a given quarter and the publication of such report, unless a natural person referred to in article 156 had no access to the financial data on the basis of which such report was prepared.

According to Article 160.1 of the Act on Trading in Financial Instruments, persons who are members of the issuer's management and supervisory bodies or who are issuer's proxies and other persons who hold management positions in the organizational structure of the issuer, have permanent access to inside information related, whether directly or indirectly, to the issuer, and are authorized to make decisions concerning the issuer's development and economic prospects, shall notify the Polish Financial Supervisory Authority or the issuer of any transactions executed by them or by persons related to them and for their own account, whereby they acquire or dispose of any issuer's shares, derivative rights attached thereto and other financial instruments related to the issuer's securities admitted or sought to be admitted to trading on a regulated market or a multilateral trading facility.

Article 160 section 2 of the Act on Trading in Financial Instruments, enumerates related persons. Related person shall be:

- such person's spouse or cohabitating partner;
- such person's dependent children and persons related through adoption, custody or guardianship;

- other persons related through blood or marriage who are members of the same household with such person for at least one year;
- entities:
  - in which the person referred to in article 160 section 1 or such person's related person referred to in article 160 section 2 is a member of the management or supervisory body or holds a management position within the organizational structure of such entity, has permanent access to inside information related to such entity and is authorized to make decisions concerning such entity's development and economic prospects, or
  - which are directly or indirectly controlled by the person referred to in article 160 section 1 or such person's related person referred to in article 160 section 2, or
  - from whose activities the person referred to in article 160 section 1 or such person's related person referred to in article 160 section 2 derives profits,
  - whose economic interests are equivalent to the economic interests of the person referred to in article 160 section 1 or such person's related person referred to in article 160 section 2.

Restrictions resulting from the Act on Public Offering

According to Article 69 of Act on Public Offering anyone who:

- has achieved or exceeded 5%, 10%, 15%, 20%, 25%, 33%, 33 1/3%, 50%, 75% or 90% of the total vote in a public company, or
- held at least 5%, 10%, 15%, 20%, 25%, 33%, 33 1/3%, 50%,75% or 90% of the total vote in a public company, and as a result of a reduction of its equity interest, holds 5%, 10%, 15%, 20%, 25%, 33%, 33 1/3%, 50%,75% or 90% or less of the total vote, respectively, or
- held over 33% of the total vote and this share has changed by at least 1%

- is obliged to notify the Polish FSA and the company of the fact immediately, no later than within 4 business days from the date on which the shareholder becomes, or by exercising due diligence could have become, aware of the change in his share in the total vote.

The notification shall include the following information:

1) date and type of event which led to a change in the share in the total vote which is the subject of the notification;
2) number of shares held prior to the change and their percentage share in the company's share capital, and the number of votes attached to these shares and their percentage share in the total vote;
3) number of shares currently held and their percentage share in the company's share capital, and the number of votes attached to these shares and their percentage share in the total vote;

4) information on any intention to further increase the shareholder's share in the total vote within 12 months from the notification date, and on the purpose of such increase - in the case of a notification submitted in connection with reaching or exceeding 10% of the total vote;
5) subsidiaries of the notifying shareholder, who hold company shares;
6) persons referred to in Art.87.1.3.c of Act on Public Offering.

In the event when the entity obliged to notify holds different types of shares, the notification should also include information specified above separately for each type of shares. The notification, mentioned above, can be drawn up in English language.

Should there be any change of intentions or purpose referred to in section 4 listed above, the Polish FSA and the company in question should be notified of this fact immediately, no later than within 3 business days from the day on which such a change has occurred.

According to Article 69a of Act on Public Offering Obligations referred to in Article 69 of Act on Public Offering also apply to the entity that has reached or exceeded a given threshold of total vote in connection with:

1) legal event other than legal action;
2) acquisition or disposal of financial instruments from which an unconditional right or obligation arises to acquire the already issued shares of a public company
3) indirect acquisition of shares of a public company.

In the event referred to in section 2 listed above notification referred to in Article 69.1 of Act on Public Offering shall also include information on:

1) the number of votes and the percentage share in the total vote to be reached by the holder of the financial instrument consequently to the acquisition of shares;
2) date or deadline of acquisition of shares;
3) date of expiration of the financial instrument.

Obligations referred to in Article 69 of Act on Public Offering shall also arise in the event when voting rights are related to the securities being the hedged instrument; however, this shall not apply to situation when the entity for whom the hedging was established has the right to exercise the voting right and declares his intention to exercise such right – in such case voting rights shall be deemed to belong to the entity for whom the hedging was established.
According to Article 87 of Act on Public Offering the obligations defined in Article 69 of Act on Public Offering shall be imposed respectively:

1) also on any entity who reaches or exceeds a threshold of the total vote defined herein as a result of acquisition or disposal of depository receipts issued in connection with shares of a public company;

2) on an investment fund - also if it reaches or exceeds a given threshold of the total vote defined herein, in connection with shares held jointly by:

a. other investment funds managed by the same investment fund management company;
b. other investment funds established outside of the territory of the Republic of Poland, managed by the same company;

3) also on a shareholder who reaches or exceeds a given threshold of the total vote defined herein, in connection with shares held:

a. by a third party on its own behalf, but upon instruction or for the benefit of the shareholder, except shares acquired in performance of the actions referred to in Art.69.2.2 of the Act on Trading in Financial Instruments;
b. in performance of the actions consisting in management of portfolios composed of one or more financial instruments, in accordance with the Act on Trading in Financial Instruments and Investment Funds Act, in relation to shares included in managed securities portfolios, under which the shareholder, as the manager, may exercise voting rights at the general shareholders meeting on behalf of the principals;
c. by a third party with which the shareholder entered into an agreement on the transfer of right to exercise voting rights;

4) also on a proxy who, when representing the shareholder at the general shareholders meeting, has been authorized to exercise voting rights from public company shares, provided such shareholder has not issued binding written instructions as to the manner of voting ;
5) also jointly on all entities bound by a written or oral agreement on acquisition of shares in a public company or on voting in concert at the general shareholders meeting or on conducting long-term policy against the company, even if only one of the entities has taken or has intended to take actions giving rise to such obligations;
6) on entities which enter into the agreement referred to in point 5 above, holding shares in a public company whose aggregate number confers the right to such a number of votes which results in reaching or exceeding a given threshold of the total vote defined herein.

In the cases referred to in sections 5 and 6 listed above, the obligations specified in Article 60 of Act on Public Offering may be performed by one party to the agreement designated by the other parties thereto. The existence of the agreement referred to in section 5 listed above shall be presumed if the shares of a public company are held by:

1) spouses, their descendants or ascendants, siblings, or persons related through marriage in the same line or degree of kinship, or relatives under adoption, custody or guardianship;
2) persons living in the same household;
3) principal or its proxy other than an investment company, authorized to dispose of or acquire shares on the securities account;
4) related undertakings as defined in the Accounting Act of 29 September 1994.

The number of votes which gives rise to the obligations defined in Article 69 of Act on Public Offering:

1) on part of the parent entity - includes the number of votes held by its subsidiaries;
2) on part of a proxy who has been authorized to exercise voting rights in accordance with paragraph 1.4 - includes the number of votes conferred by shares covered by the power of proxy;
3) includes the number of votes conferred by all shares, even if the exercise of voting rights thereunder is restricted or excluded under the articles of association or the applicable laws and regulations.

The obligations specified in Article 69 of Act on Public Offering arise also if the voting rights are attached to securities deposited or registered with an entity which may dispose of them at own discretion.

According to Article 89 of Act on Public Offering a shareholder shall not exercise voting rights conferred by shares in a public company, which are the subject of a legal action or other legal event as a result of which the shareholder will reach or exceed a given threshold of the total vote in breach of the obligations defined in Article 69 of Act on Public Offering.

The right to vote conferred by shares in a public company that is exercised in breach of the proscription referred to above, shall not be counted when establishing the result of a vote on a resolution of the general shareholders meeting.

According to article 75 section 4 of the Act on Public Offering, shares encumbered with a pledge cannot be the subject of trading, until this pledge expiration. There is an exception, when shares acquisition is made in the performance of an agreement of financial protection establishment, in accordance with the Act of certain financial protections dated on 2 of April 2004.

Restrictions resulting from the Regulation S and the Act on Securities

The Issuer's shares of common stock, that are introduced to the ATS, have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act")or under any securities laws of any state or other jurisdiction of the United States. These Issuer's shares of common stock were offered only to non-US persons (as defined under Regulation S under the Securities Act) outside the United States in transactions exempt from the registration requirements of the Securities Act in reliance on Regulation S or pursuant to another available exemption from the Securities Act. Accordingly, the Issuer's shares of common stock issued, that are introduced to the ATS, are "restricted securities" as defined in Rule 144 under the Securities Act. These shares may not be offered, sold or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person, unless the transfer is registered under the US Securities Act or an exemption from the registration requirements is available under the US Securities Act such as under Regulation S, Rule 144 or otherwise.

One of the criteria for the exemptions from registration under Regulation S to apply is that, subject to certain exemptions, US investors do not purchase the Issuer's shares of common

stock, that are introduced to the ATS, during the six month period after issuance. As such, the share certificates issued in respect of the above shares of common stock will be required to bear a legend describing restrictions on transfer to US persons and prohibiting hedging transactions in the common stock unless in compliance with the Securities Act.

The Issuer's shares of common stock, that are introduced to the ATS, are "restricted securities" and must be held for at least one year before they are eligible for public sale (except from public sales on NewConnect). After introducing these shares to the ATS, the only market for these shares will be on the WSE – NewConnect market. If the Issuer's shares were to be removed from listing or otherwise delisted on the WSE there would be no public market for the shares and prior to one year from the issuance date could only be sold in private transactions to persons who agree to acquire for investment and without a view toward distribution. After one year the shares could still only be sold in private transactions but persons would not have to agree to take for investment and without a view to distribution. Trading of the shares on NewConnect would be exempted from the above restrictions pursuant to US SEC Regulation S, which restricts shares being issued and as such cannot be publicly sold for one year after issuance, except for transactions by the initial investor on a "Designated Offshore Securities Market," a term which includes the WSE markets.

A list of "Designated Offshore Securities Market" is included under Rule 902 (b)(1) of the US Securities Act of 1933. According to this definition, the Warsaw Stock Exchange is specifically named as a Designated Offshore Securities Market. The defined term does not distinguish between the main trading platform of the Warsaw Stock Exchange and any other trading platform, such as the NewConnect Market, operated by the Warsaw Stock Exchange. The Issuer has checked SEC regulations, releases and bulletins and does not find any that distinguish between the different trading platforms operated by the Warsaw Stock Exchange.

The term "initial investor" is only the investors who purchased shares directly from the Issuer in a private placement. Pursuant to Regulation S, the one-year holding period restriction imposed by Regulation S would no longer apply to the shares resold by the investors on NewConnect nor would it apply to the shares purchase by subsequent investors on the NewConnect market.

Other restrictions

Section 203 of the Delaware Corporation Law

Section 203 of the General Corporation Law of the State of Delaware prevents an "interested shareholder" (defined in Section 203 of the GCLSD, generally, as a person owning 15% or more of a corporation's outstanding voting stock), from engaging in a "business combination" (as defined in Section 203 of the GCLSD) with a publicly-held Delaware corporation for three years following the date such person became an interested shareholder, unless:

- before such person became an interested shareholder, the board of directors of the corporation approved the transaction in which the interested shareholder became an interested shareholder or approved the business combination;
- upon consummation of the transaction that resulted in the interested shareholder's becoming an interested shareholder, the interested shareholder owns at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding stock held by directors who are also officers of the corporation and by employee stock plans that do not provide employees with the rights to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or
- following the transaction in which such person became an interested shareholder, the business combination is approved by the board of directors of the corporation and authorized at a meeting of shareholders by the affirmative vote of the holders of two-thirds of the outstanding voting stock of the corporation not owned by the interested shareholder.

The Issuer Certificate of Incorporation expressly provides that the provisions of Section 203 of the GCLSD do not apply. Consequently, a person or entity wishing to acquire control of the Issuer's company would not have to comply with the director or shareholder approvals required by Section 203. This could make a takeover of the Company easier even if the takeover were not approved by the Board of Directors or opposed by the shareholders as not being in their best interests.

Anti-Takeover Effects

Bylaws

The Issuer's Bylaws are designed to make it difficult for a third party to acquire control of the Company, even if a change of control would be beneficial to shareholders. The Issuer's Bylaws do not permit any person other than the Board of Directors or certain executive officers to call special meetings of the shareholders. In addition, the Company must receive a shareholders' proposal for an annual meeting within a specified period for that proposal to be included on the agenda. Because shareholders do not have the power to call meetings and are subject to timing requirements in submitting shareholder proposals for consideration at an annual or special meeting, any third-party takeover not supported by the Board of Directors would be subject to significant delays and difficulties.

No Cumulative Voting

The GCLSD provides that shareholders are denied the right to cumulate votes in the election of directors unless the Issuer's Certificate of Incorporation provides otherwise. The Issuer's Certificate of Incorporation does not provide for cumulative voting.

Undesignated Preferred Stock

The authority that is possessed by the Issuer's Board of Directors to issue preferred stock could potentially be used to discourage attempts by third parties to obtain control of the Company through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. The Issuer's Board of Directors may issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock.

Authorized but Unissued Shares

The Issuer's authorized but unissued shares of common stock and preferred stock will be available for future issuance without shareholder approval. The Company may use additional shares for a variety of purposes, including future offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of the Issuer by means of a proxy contest, tender offer, merger or otherwise.

The combination of the provisions summarized above will make it more difficult for the Issuer's shareholders to replace its Board of Directors as well as for another party to obtain control of the Company by replacing its Board of Directors. Therefore, these provisions may have the effect of deterring hostile takeovers or delaying changes in the Issuer's control or management. These provisions are intended to enhance the likelihood of continued stability in the composition of the Issuer's Board of Directors and in the policies they implement, and to discourage certain types of transactions that may involve an actual or threatened change of its control. These provisions are designed to reduce the Issuer's vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for the Company's shares and, as a consequence, they also may inhibit fluctuations in the market price of its shares that could result from actual or rumored takeover attempts. Such provisions may also have the effect of preventing changes in the Issuer's management.

Lock-up and anti-dilutive agreements

All previous shareholders of the Issuer, before the debut of the Company in the ATS, will sign 24-months lock-up agreements. Details of these agreements are described in Chapter 4.21.1 of this Information Document.

Moreover, in the Chapter 4.21.1 the Issuer makes a declaration of anti-dilutive actions and before the debut of the Company in the ATS, the Issuer also will sign "Anti-dilutive" agreement.

Apart from described above restrictions, there are no other restrictions on transfer of rights attached to the Issuer's shares of common stock, that are introduced to the ATS.

3.1.3 Safety measures and additional benefits

There are no safety measures and additional benefits attached to the Issuer's shares of common stock, that are introduced to the ATS.

3.2 Legal basis of issue of financial instruments

3.2.1 Body or persons authorized to make a decision about the issue of financial instruments

According to General Corporation Law of the State of Delaware and the Certificate of Incorporation, the Board of Directors was authorized to make a decision about the issue of the Issuer's shares of common stock, that are introduced to the ATS.

3.2.2 Date and form of the issue decision as well as its contents

Resolution of the Board of Directors adopted by unanimous written consent dated September 3, 2013:

MILESTONE MEDICAL INC.

EXCERPT OF THE RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS BY UNANIMOUS WRITTEN CONSENT AS OF SEPTEMBER 3, 2013

RESOLVED, that this Corporation issue and sell in a Regulation S offering through WDM Dom Maklerski up to 2,400,000 shares of Common Stock of the Corporation ("Common Stock") at a purchase price per share determined by the Pricing Committee of the Board.

and be it further

RESOLVED, that this Corporation establish a Pricing Committee of a single member, Leonard Osser, to fix and determine through negotiations with WDM Dom Maklerski the price per share at which shares of its Common Stock will be sold in the proposed Regulation S offering.

and be it further

RESOLVED, that the proper officers of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to take any and all action and to do any and all things, as may be necessary or desirable to carry out the intent and accomplish the purpose of the foregoing resolutions.

Split of the Issuer's shares of common stock

By resolution of the Board of Directors and adopted by Unanimous Written Consent date September 3, 2013, the Issuer authorized the 10,000 for one split of its common stock outstanding on July 31, 2013. The specific resolution adopted by the Board is as follows:

MILESTONE MEDICAL INC.

EXCERPT OF THE RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS BY UNANIMOUS WRITTEN CONSENT AS OF SEPTEMBER 3, 2013

RESOLVED, that, subject to shareholder approval, the 2,000 shares of Common Stock of the Corporation outstanding on July 31, 2013 be split 10,000 to one and the par value of the Common Stock be reduced from $0.01 to $0.0001 per share;

According to the Board Consent, on September 3, 2013 the Board of Directors made a decision on split of shares in the ratio 10,000 to 1 and the reduction of nominal value from USD 0.01 to USD 0.0001 per share. At the same time, the number of shares was increased from 2,000 to 20,000,000. The Board had no obligation to adjust the nominal value (par value per share). The Board is authorized to make such decisions according to Section 141 of the GCLSD, which gives it the authority to manage the business and affairs of the Company.

Neither the Board had any obligation to make specific resolution on increase of the share capital as a result of split of shares. The only amendments that were required were reflected in the Board Consent and consequently in the Certificate of Incorporation. Pursuant to Section 242 of the GCLSD, upon the receipt of the approval of the Board and a majority of the shareholders, a corporation may amend its certificate of incorporation from time to time to, among other things, change the number of shares of authorized stock and/or change the par value of its shares. The Shareholders' Consent was granted on September 3, 2013 in accordance with the foregoing provision, therefore the Company could amend the Certificate of Incorporation.

The effective date of the split and the adjustment to the nominal value of the shares was September 4, 2013, being the date the Certificate of Incorporation was filed with the Secretary of the State of the State of Delaware. The increase of share capital was reflected in the Company's financial statements for the three and nine months ended September 30, 2013, where it is indicated that the share capital was adjusted to USD 2,000. No further actions were necessary to complete the split of shares.

Allotment of the Issuer's shares of common stock

By resolution of the Board of Directors and adopted by Unanimous Written Consent date November 15, 2013, the Issuer allotted newly issued shares of common stock. The specific resolution adopted by the Board is as follows:

MILESTONE MEDICAL INC.

EXCERPT OF THE RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS BY UNANIMOUS WRITTEN CONSENT AS OF NOVEMBER 15, 2013

RESOLVED, that the subscriptions on November 6, 2013 for an aggregate of 2,000,000 shares of Common Stock at a purchase price of $1.50 per share in the Regulation S offering through WDM Dom Maklerski are authorized, approved, ratified and confirmed;

and be it further

RESOLVED, that the proper officers of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to take any and all action and to do any and all things, as may be necessary or desirable to carry out the intent and accomplish the purpose of the foregoing resolution.

3.2.3 Information about the register entity

National Depository for Securities (in polish: Krajowy Depozyt Papierów Wartościowych, ul. Książęca 4, 00-498 Warszawa) will be responsible for conducting registration system of the Issuer's shares of common stock, that are introduced to the ATS.

3.2.4 The currency of the Issuer's shares

The nominal value of the Issuer's share is expressed in U.S. Dollars ($).
The Issuer's one share has $0.0001 par value.

The Issue Price of the Issuer's shares of common stock that are introduced to the ATS on NewConnect market is expressed in PLN and is equal to **4,65 PLN** (approximately $1.50) per share.

After introduction of the Issuer's share of common stock to the ATS on NewConnect market, these share will be quoted in PLN.

Information whether shares have been taken up for cash, other cash contributions or non-cash contributions, together with a brief description of payment

One half of the currently outstanding shares of the Issuer have been issued to individual investors, including the principal shareholders of Beijing 3H for $1.5 million in cash and one half of the outstanding shares have been issued to Milestone Scientific Inc. as consideration for a license of its technology and patents to the Issuer to be used by the Issuer in the fields of epidural injections and intra-articular injections.

The core technology covered by the license are those for the *Compuflo* pressure/force computer controlled local anesthetic delivery which is an advanced patented and FDA approved medical

technology for the painless and accurate delivery of drugs, anesthetics and other medicaments into all tissue types as well as for the aspiration of bodily fluids or previously injected substances. While this is the core technology the assignment covers all of Milestone Scientific' patents and intellectual properties which is more fully set forth under Section 4.12.9 of the Information Document.

3.3 Dates since when shares authorize their holders to receive dividend

According to the General Corporation Law of the State of Delaware, Chapter 1, Section 170, the directors of every corporation, subject to any restrictions contained in its certificate of incorporation, may declare and pay dividends upon the shares of its capital stock either:

(1) Out of its surplus, as defined in and computed in accordance with § 154 and § 244 of this title; or
(2) In case there shall be no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

Dividends are payable when as and if declared by the Board of Directors out of surplus legally available therefor commencing with the original issue date of a share of common stock.

The Issuer has only one class of outstanding shares, its common stock. All shares of common stock have equal rights to dividends, when as and if declared by the Board of Directors out of surplus available for such purpose. The newly issued shares have such rights commencing on their date of issuance and would entitle to dividends beginning from the current financial year.

No resolution is required with respect to the loss for the last financial year.

3.4 Rights attached to financial instruments and rules for their exercise

3.4.1 Right to a dividend

According to the GCLSD Chapter 1, Section 170, the directors of every corporation, subject to any restrictions contained in its certificate of incorporation, may declare and pay dividends upon the shares of its capital stock either:

(1) Out of its surplus, as defined in and computed in accordance with §§ 154 and 244 of GCLSD, or
(2) In case there shall be no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

If the capital of the corporation, computed in accordance with §§ 154 and 244 of GCLSD, shall have been diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, the directors of such corporation shall not declare and pay out of such net profits any dividends upon any shares of any classes of its capital stock until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets shall have been repaired. Nothing in this subsection shall invalidate or otherwise affect a note, debenture or other obligation of the corporation paid by it as a dividend on shares of its stock, or any payment made thereon, if at the time such note, debenture or obligation was delivered by the corporation, the corporation had either surplus or net profits as provided in (a)(1) or (2) of this section from which the dividend could lawfully have been paid.

According to the GCLSD Chapter 1, Section 155, if any corporation issue fractions of share, a certificate for a fractional share or an uncertificated fractional share shall, but scrip or warrants shall not unless otherwise provided therein, entitle the holder receive dividends thereon.

According to the GCLSD Chapter 1, Section 156, any corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

According to the Issuer's Bylaws, Article VII, Section 1 "Distribution and Share Dividend", distributions and share dividends, subject to the provisions of the Certificate of Incorporation of the Company, if any, may be authorized by the Board at any regular or special meeting. Distributions may be paid in cash or in property, and may be in the form of a dividend on the outstanding shares of the Company, a purchase or redemption by the Company of any of its own shares, or a payment in liquidation of all or a portion of the assets of the Company. Share dividends shall be paid in authorized but unissued shares of the Company or in treasury shares subject to the provisions of the General Corporation Law of the State of Delaware and the Certificate of Incorporation of the Company. The Board may fix a record date in the manner provided below for the purpose of determining shareholders entitled to receive a distribution (other than a distribution involving a purchase or redemption by the Company of any of its own shares) or share dividend.

According to the Issuer's Bylaws, Article II, Section 10 "Record Date", in order to determine the shareholders entitled to receive payment of any dividend the Board of Directors may provide that the share transfer records shall be closed for a stated period but not to exceed, in any case, sixty (60) days. In lieu of closing the share transfer records, the Issuer's bylaws or, in the absence of an applicable bylaw, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date in any case to be not more than sixty (60) days and, in the case of a

meeting of shareholders, not less than ten (10) days, prior to the date on which the particular action requiring such determination of shareholders is to be taken. If the share transfer records are not closed and no record date is fixed for the determination of shareholders entitled to receive a distribution (other than a distribution involving a purchase or redemption by the Company of any of its own shares) or a share dividend, the date one day prior to the date on which the resolution of the Board declaring such distribution or share dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

The Issuer's Certificate of Incorporation contains no specific provisions bearing on these rights.

The Company must be provided with certain information identifying the shareholders entitled to dividend. In case when the Company is not provided with required information on the shareholders, it would deduct the withholding tax at the 30% rate.

3.4.2 Payment/Amount of dividend

According to the GCLSD Chapter 1, Section 173, dividends may be paid in cash, in property, or in shares of the corporation's capital stock. If the dividend is to be paid in shares of the corporation's theretofore unissued capital stock the board of directors shall, by resolution, direct that there be designated as capital in respect of such shares an amount which is not less than the aggregate par value of par value shares being declared as a dividend and, in the case of shares without par value being declared as a dividend, such amount as shall be determined by the board of directors. No such designation as capital shall be necessary if shares are being distributed by a corporation pursuant to a split-up or division of its stock rather than as payment of a dividend declared payable in stock of the corporation.

According to the GCLSD Chapter 1, Section 151 (c), the holders of preferred or special stock of any class or of any series thereof shall be entitled to receive dividends at such rates, on such conditions and at such times as shall be stated in the certificate of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided, payable in preference to, or in such relation to, the dividends payable on any other class or classes or of any other series of stock, and cumulative or noncumulative as shall be so stated and expressed. When dividends upon the preferred and special stocks, if any, to the extent of the preference to which such stocks are entitled, shall have been paid or declared and set apart for payment, a dividend on the remaining class or classes or series of stock may then be paid out of the remaining assets of the corporation available for dividends as elsewhere in this chapter provided.

According to GCLSD Chapter 1, Section 174 (a), in case of any willful or negligent violation of § 160 or § 173 of this title, the directors under whose administration the same may happen shall be jointly and severally liable, at any time within 6 years after paying such unlawful dividend or after such unlawful stock purchase or redemption, to the corporation, and to its creditors in the event of its dissolution or insolvency, to the full amount of the dividend unlawfully paid, or to the

full amount unlawfully paid for the purchase or redemption of the corporation's stock, with interest from the time such liability accrued.

3.4.3 Voting rights

According to the GCLSD Chapter 1, Section 151 (a), every corporation may issue 1 or more classes of stock or 1 or more series of stock within any class thereof, any or all of which classes may be of stock with par value or stock without par value and which classes or series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the certificate of incorporation or of any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by the provisions of its certificate of incorporation. Any of the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of any such class or series of stock may be made dependent upon facts ascertainable outside the certificate of incorporation or of any amendment thereto, or outside the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by its certificate of incorporation, provided that the manner in which such facts shall operate upon the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such class or series of stock is clearly and expressly set forth in the certificate of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors.

According to the GCLSD Chapter 1, Section 155, if any corporation issue fractions of share, a certificate for a fractional share or an uncertificated fractional share shall, but scrip or warrants shall not unless otherwise provided therein, entitle the holder to exercise voting rights.

According to the GCLSD Chapter 1, Section 160(d), shares which have been called for redemption shall not be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter on and after the date on which written notice of redemption has been sent to holders thereof and a sum sufficient to redeem such shares has been irrevocably deposited or set aside to pay the redemption price to the holders of the shares upon surrender of certificates therefor.

According to the GCLSD Chapter 1, Section 212:

- unless otherwise provided in the certificate of incorporation and subject to § 213 of the GCLSD, each shareholder shall be entitled to 1 vote for each share of capital stock held by such shareholder. If the certificate of incorporation provides for more or less than 1 vote for any share, on any matter, every reference in this chapter to a majority or other proportion of stock, voting stock or shares shall refer to such majority or other proportion of the votes of such stock, voting stock or shares;

- each shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such shareholder by proxy, but no such proxy shall be voted or acted upon after 3 years from its date, unless the proxy provides for a longer period;
- without limiting the manner in which a shareholder may authorize another person or persons to act for such shareholder as proxy pursuant to sentence above, the following shall constitute a valid means by which a shareholder may grant such authority:
    - a shareholder may execute a writing authorizing another person or persons to act for such shareholder as proxy. Execution may be accomplished by the shareholder or such shareholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature;
    - a shareholder may authorize another person or persons to act for such shareholder as proxy by transmitting or authorizing the transmission of a telegram, cablegram, or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the shareholder. If it is determined that such telegrams, cablegrams or other electronic transmissions are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information upon which they relied;
- any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to sentence above may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission;
- a duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally.

According to the GCLSD Chapter 1, Section 214, the certificate of incorporation of any corporation may provide that at all elections of directors of the corporation, or at elections held under specified circumstances, each holder of stock or of any class or classes or of a series or series thereof shall be entitled to as many votes as shall equal the number of votes which (except for such provision as to cumulative voting) such holder would be entitled to cast for the election of directors with respect to such holder's shares of stock multiplied by the number of directors

to be elected by such holder, and that such holder may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any 2 or more of them as such holder may see fit. The Issuer's Certificate of Incorporation does not provide for cumulative voting.

According to the GCLSD Chapter 1, Section 216, the certificate of incorporation or bylaws of any corporation authorized to issue stock may specify the number of shares and/or the amount of other securities having voting power the holders of which shall be present or represented by proxy at any meeting in order to constitute a quorum for, and the votes that shall be necessary for, the transaction of any business, but in no event shall a quorum consist of less than 1/3 of the shares entitled to vote at the meeting, except that, where a separate vote by a class or series or classes or series is required, a quorum shall consist of no less than 1/3 of the shares of such class or series or classes or series. In the absence of such specification in the certificate of incorporation or bylaws of the corporation:

- a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of shareholders;
- in all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the shareholders;
- directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors; and
- where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and, in all matters other than the election of directors, the affirmative vote of the majority of shares of such class or series or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series or classes or series.

A bylaw amendment adopted by shareholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.

In connection with above paragraph, the Issuer's Bylaws, Article II describes all voting rights of the shareholders. Full text of the Issuer's Bylaws is placed in Chapter 6.2 of the Information Document.

The Issuer's Certificate of Incorporation contains no specific provisions bearing on these rights.

In case when the Company is not provided with required information on the shareholders, it would not allow the shareholders to participate in meeting.

3.4.4 Priority rights for subscription of shares in subsequent capital increases

According to the GCLSD Chapter 1, Section 151, the power to increase or decrease or otherwise adjust the capital stock as provided in this chapter shall apply to all or any such classes of stock.

Chapter 1, Section 152 of the GCLSD states that the consideration, as determined pursuant to § 153(a) and (b) of the GCLSD, for subscriptions to, or the purchase of, the capital stock to be issued by a corporation shall be paid in such form and in such manner as the board of directors shall determine. The board of directors may authorize capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation, or any combination thereof. The board of directors may determine the amount of such consideration by approving a formula by which the amount of consideration is determined. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration shall be conclusive. The capital stock so issued shall be deemed to be fully paid and nonassessable stock upon receipt by the corporation of such consideration; provided, however, nothing contained herein shall prevent the board of directors from issuing partly paid shares under § 156 of the GCLSD.

According to the GCLSD Chapter 1, Section 153 (a)(d), shares of stock with par value may be issued for such consideration, having a value not less than the par value thereof, as determined from time to time by the board of directors, or by the shareholders if the certificate of incorporation so provides. If the certificate of incorporation reserves to the shareholders the right to determine the consideration for the issue of any shares, the shareholders shall, unless the certificate requires a greater vote, do so by a vote of a majority of the outstanding stock entitled to vote thereon.

According to the Issuer's Certificate of Incorporation, Article Fourth, the total number of shares which the Issuer shall have authority to issue is 55,000,000 shares, consisting of (i) 50,000,000 shares of common stock, $0.0001 par value per share (the "Common Stock") and (ii) 5,000,000 shares of preferred stock, $0.0001 par value per share (the "Preferred Stock"). The Board of Directors, in the exercise of its discretion, is authorized to issue the undesignated Preferred Stock in one or more series, to determine the powers, preferences and rights, and qualifications, limitations or restrictions, granted to or imposed upon any wholly unissued series of undesignated Preferred Stock, and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by the shareholders.

As of the date of Information Document preparation 22,000,000 shares of common stock were outstanding and issued (but after giving effect to the 2,000,000 shares being issued to investors in Poland) and no Preferred Stock was issued and outstanding.

3.4.5 Rights upon liquidation, winding up and dissolution

According to the GCLSD Chapter 1, Section 291, whenever a corporation shall be insolvent, the Court of Chancery, on the application of any creditor or shareholder thereof, may, at any time, appoint 1 or more persons to be receivers of and for the corporation, to take charge of its assets, estate, effects, business and affairs, and to collect the outstanding debts, claims, and property due and belonging to the corporation, with power to prosecute and defend, in the name of the corporation or otherwise, all claims or suits, to appoint an agent or agents under them, and to do all other acts which might be done by the corporation and which may be necessary or proper. The powers of the receivers shall be such and shall continue so long as the Court shall deem necessary.

According to Section 293 of the GCLSD, all notices required to be given to shareholders and creditors in any action in which a receiver or trustee for a corporation was appointed shall be given by the Register in Chancery, unless otherwise ordered by the Court of Chancery.

The Issuer's Certificate of Incorporation contains no specific provisions bearing on these rights.

There is also a possibility that the Issuer's common stock may be cancelled for no remuneration, if the Issuer is ever subject to bankruptcy proceedings under the U.S. Bankruptcy Code.

Federal bankruptcy laws govern how companies go out of business or recover from crippling debt. A bankrupt company, the "debtor," might use **Chapter 11** of the **Bankruptcy Code** to "reorganize" its business and try to become profitable again. Management continues to run the day-to-day business operations but all significant business decisions must be approved by a bankruptcy court.

Under **Chapter 7** of the Bankruptcy Code, the company stops all operations and goes completely out of business. A trustee is appointed to "liquidate" (sell) the company's assets and the money is used to pay off the debt, which may include debts to creditors and investors.

The investors who take the least risk are paid first. For example, secured creditors take less risk because the credit that they extend is usually backed by collateral, such as a mortgage or other assets of the company. They know they will get paid first if the company declares bankruptcy.

Bondholders have a greater potential for recovering their losses than shareholders, because bonds represent the debt of the company and the company has agreed to pay bondholders interest and to return their principal. Shareholders own the company, and take greater risk. They could make more money if the company does well, but they could lose money if the company does poorly. The owners are last in line to be repaid if the company fails. Bankruptcy laws determine the order of payment.

A company's securities may continue to trade even after the company has filed for bankruptcy under Chapter 11 of the Bankruptcy Code. In most instances, companies that file under Chapter

11 of the Bankruptcy Code are generally unable to meet the listing standards to continue to trade on Nasdaq, the New York Stock Exchange or other stock exchanges (depends on regulations applied to different stock exchanges). However, even when a company is delisted from one of stock exchanges, their shares may continue to trade on either the OTCBB or the Pink Sheets or other OTC market. There is no federal law that prohibits trading of securities of companies in bankruptcy.

Note: Investors should be cautious when buying common stock of companies in Chapter 11 of the Bankruptcy Code. It is extremely risky and is likely to lead to financial loss. Although a company may emerge from bankruptcy as a viable entity, generally, the creditors and the bondholders become the new owners of the shares. **In most instances, the company's plan of reorganization will cancel the existing equity shares.** This happens in bankruptcy cases because secured and unsecured creditors are paid from the company's assets before common shareholders. And in situations where shareholders do participate in the plan, their shares are usually subject to substantial dilution.

If you are a shareholder, the trustee may ask you to send back your old stock in exchange for new shares in the reorganized company. The new shares may be fewer in number and may be worth less than your old shares. The reorganization plan will spell out your rights as an investor, and what you can expect to receive, if anything, from the company.

The bankruptcy court may determine that shareholders don't get anything because the debtor is insolvent (a debtor's solvency is determined by the difference between the value of its assets and its liabilities.) If the company's liabilities are greater than its assets, shareholder's shares of common stock may be worthless.

3.5 The Issuer's basic policies concerning future dividend payments

The Issuer has not declared or paid any dividends and do not intend to pay any dividends in the foreseeable future. The Company intends to retain any future earnings for use in the operation and expansion of its business. Any future decision to pay dividends on common stock will be at the discretion of the Issuer's Board of Directors and will be dependent upon the Company's fiscal condition, results of operations capital requirements and other factors the Issuer's Board of Directors may deem relevant.

3.6 Information about taxation rules concerning income related to holding of and trading in financial instruments referred to in the Information Document, including the tax agent

This Information Document describes only basic taxation rules concerning income related to holding of and trading in financial instruments. Investors, who are interested in obtaining more

detailed information than those presented in this Information Document, should seek appropriate tax adviser advice.

3.6.1 Taxation of income (revenue) accruing to Polish legal persons

Under the Polish legal system, taxation of revenues / income accruing to corporate entities by virtue of their participation in another company is regulated by the legislative Act regarding corporate income tax (hereinafter referred to as "the CIT Act"). Arts 10.1.1 through 10.1.4 of the CIT Act define income from participation in the profits of legal persons as income actually collected from shares (dividends), including also income from redemption of shares, the value of assets received upon liquidation of a legal person, income earmarked for a share capital increase, and income equivalent to amounts contributed towards the share capital from other capital / funds of the legal person. Art 12.4.3 of the CIT Act, meanwhile, excludes from the category of income accruing from share redemption and from liquidation such amounts as correspond to the cost of purchasing or acquiring, respectively, the shares which are now being redeemed or eliminated in the context of liquidation.

Art 10.1b of the CIT Act provides that the above rules shall not apply to income from redemption of shares in the event that the shares being redeemed had been acquired in consideration for an in-kind contribution comprising a business enterprise or its organized part. Income on this account distributed among the shareholders shall not constitute, from the perspective of Polish tax law, income accruing from shares in the profits of a legal person.

Effective 1 January 2011, the CIT Act has been amended so as to repeal art 10.1.2 whereunder income from sale of shares to the issuing company for the purpose of their redemption was classified as revenue (income) from participation in the profits of a legal person. As a result, income from sale of shares to the issuing company with a view to their redemption now falls to be taxed subject to the same rules as sale of shares.

Dividends and other revenues from shares in the profits of a company with its registered office in the United States and being the resident of the United States shall be accumulated by Polish Corporate Shareholder with the incomes (revenues) earned within the territory of the Republic of Poland when settling tax for a tax year and at 19% CIT rate. Tax due on the dividend and other revenues from shares in the profits of a company with its registered office in the United States shall be calculated and paid by Polish Corporate Shareholder on its own.

US tax consideration on Polish Corporate Shareholders

According to U.S. tax law, dividends, if any, distributed by the Issuer may be subject to United States withholding at a 30% rate.

However, the Convention of October 8, 1974 between the Government of the United States of America and the Government of the Polish People's Republic for the Avoidance of Double

Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Double Tax Treaty**"), provides that dividends payable by a company with its registered office in the United States to a corporation with its registered office in Poland may be taxed in the United States, but:

- such tax cannot exceed 5% of the gross dividend where the recipient is a corporate entity holding not less than 10% of the voting shares of the distributing United States company, or
- 15% of the gross dividend in all other situations.

It should be noted that in relation to the payment of taxes in the United States, the method of preventing double taxation by crediting the tax paid or withheld in the United States against Polish tax liability will apply. The Double Tax Treaty provides, however, that such amount will be credited in accordance with the provisions of Polish law and in observance of any limitations provided therein.

Polish regulations impose certain limitations whereby the amount of tax credit may not exceed the portion of the amount of Polish tax calculated prior to the tax withholding, which corresponds, on a pro-rata basis, to the income generated in a foreign country (Art. 20 Section 1 of the CIT Act). In other words, the amount of tax withheld in the United States which may be credited towards tax payable in Poland should not exceed the amount of tax that would be payable, on a pro-rata basis, on such portion of income were such income subject to taxation in Poland on generally applicable terms. Therefore, the limitation is of practical importance in the situation in which dividends, if any, distributed by the Issuer is subject to withholding tax in the United States at a tax rate that is higher than that applicable in Poland.

The above principles will not apply where the dividend recipient has its registered office in Poland but has a permanent establishment in the United States (i.e., a fixed place of business through which the business of an enterprise is wholly or partly carried on), and the shares on which the dividend is paid are actually managed by such establishment. In such event, dividends may be taxed in the United States on a net basis as income earned by that permanent establishment.

It should be noted that similar rules concerning dividends have been agreed in the new Convention between the United States of America and the Republic of Poland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed in 2013, which most probably would replace the Double Tax Treaty as from January 2014.

3.6.2 Taxation of income (revenue) accruing to natural persons

Taxation of revenues / income accruing to natural persons / private individuals by virtue of their participation in profits of the company is regulated by the legislative Act regarding personal income tax (hereinafter referred to as "the PIT Act"). Under art 30a.1.4 of the PIT Act,

dividends and other revenues from shares in the profits of legal persons accruing to natural persons are subject to a tax at a flat rate of 19% of the revenue accrued. Revenues accruing to natural persons on this account shall not be combined for tax purposes with revenue accruing to such persons and taxed subject to different rules.

Arts 24.5.1 through 24.5.4 of the PIT Act define income from participation in the profits of legal persons as income actually collected from shares, including also income from redemption of shares, the value of assets received upon liquidation of a legal person, income earmarked for a share capital increase, and income equivalent to amounts contributed towards the share capital from other capital / funds of the legal person. Art 24.5d of the PIT Act defines income from redemption of shares as the surplus of revenue from the redemption over the cost of obtaining such revenue calculated in accordance with art 22.1f or art 23.1.38 of the PIT Act; where the shares were inherited or acquired by way of a bequest, the costs shall be established as at the day of such inheritance or bequest. Effective 1 January 2011, the PIT Act has been amended so as to repeal art 24.5.2, whereunder income from sale of shares to the issuing company for the purpose of their redemption was classified as revenue (income) from participation in the profits of a legal person. As a result, income from sale of shares to the issuing company with a view to their redemption now falls to be taxed as capital income of a natural person in accordance with art 30b.1 of the PIT Act.

Tax due on the dividend and other revenues from shares in the profits of a company with its registered office in the United States shall be calculated and paid by Polish Individual Shareholder on its own.

US tax consideration on Polish Individual Shareholders

According to U.S. tax law, dividends, if any, distributed by the Issuer may be subject to United States withholding at a 30% rate.

However, the Double Tax Treaty provides that dividends payable by a company with its registered office in the United States to a natural person domiciled in Poland may be taxed in the United States, but such tax cannot exceed 15%.

It should be noted that in relation to the payment of taxes in the United States, the method of preventing double taxation by crediting the tax paid in the United States against Polish tax liability will apply. The Double Tax Treaty provides, however, that such amount would be credited in accordance with the provisions of Polish law and in observance of any limitations provided therein.

Polish regulations impose certain limitations whereby the amount of tax credit in respect of tax paid in a foreign country may not exceed the Polish portion of the amount of Polish tax calculated prior to the tax withholding, which corresponds, on a pro-rata basis, to the income generated in that foreign country (Art. 27 Section 9 of the PIT Act). In other words, the amount

of tax withheld in the United States which may be credited towards tax payable in Poland should not exceed the amount of tax that would be payable, on a pro-rata basis, on such portion of income were such income subject to taxation in Poland on generally applicable terms. Therefore, the limitation is of practical importance in the situation in which dividends, if any, distributed by the Issuer are subject to withholding tax in the United States at a tax rate that is higher than that applicable in Poland.

The above principles will not apply where the dividend recipient is domiciled in Poland and has a permanent establishment in the United States (i.e., a fixed place of business through which the business of an enterprise is wholly or partly carried on), and the shares on which the dividend is paid are actually managed by such establishment. In such event, dividends may be taxed in the United States as income earned by that permanent establishment.

It should be noted that similar rules concerning dividends have been agreed in the new Convention between the United States of America and the Republic of Poland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed in 2013, which most probably would replace the Double Tax Treaty as from January 2014.

3.6.3 Liability of the payer

In accordance with the provisions of the CIT Act and of the PIT Act cited above, the duty to calculate and deduct income tax on dividends and other benefits accruing to investors from their shares in legal entities and to remit such tax to the competent tax authorities within the applicable deadlines rests with the entities which make the disbursements and place the funds at the taxpayer's disposal in the given case, i.e.

- the company itself;
- the institution operating the taxpayer's securities account, or
- the entity operating an omnibus account.

Under arts 30 § 1 and § 3 of the Polish Tax Ordinance, an entity failing to discharge its obligations with respect to deduction and remittance of tax shall be liable for such tax to the full value of its own assets. This general liability rule shall not apply where separate rules provide otherwise or where the failure to collect tax was not caused by the entity's fault.

4 Information about the Issuer

4.1 Name (business), legal form, state where the registered office is located, registered office and address of the issuer together with telecommunications numbers (telephone, facsimile, e-mail and main website addresses), code according to appropriate statistical classification and number according to the appropriate tax identification

Table 9 Basic information about the Issuer

NAME:	MILESTONE MEDICAL, INC. (earlier: Milestone Scientific Research and Development, Inc.)
Legal form:	**Corporation**
Registered office/Office:	**220 South Orange Avenue Livingston, NJ 07039, USA**
Telephone number:	**011-973-535-2717**
Facsimile number:	**011-973-535-2829**
E-mail:	**jdagostino@milestonescientific.com**
Main website address:	**www.medicalmilestone.com**
Registered by:	**Secretary of State for the State of Delaware, USA**
Tax code:	**27-5484393**

Source: the Issuer

4.2 Term of the Issuer, if definite

The Issuer has been founded for the indefinite period.

4.3 Legal regulations under which the issuer was formed

The Issuer was formed as a Corporation according to the General Corporation Law of the State of Delaware.

4.4 Court that has decided to enter the Issuer into the appropriate register as well as the date of entry into register, and if the Issuer is an entity that needed a permit to be formed – subject matter and number of the permit as well as the authority that issued the permit

The Issuer was originally incorporated and the original Certificate of Incorporation of the Issuer was filed with the Secretary of State for the State of Delaware on March 8, 2011 under the name "Milestone Scientific Research and Development, Inc." The Issuer subsequently filed a Certificate of Amendment with the Secretary of State of the State of Delaware on June 20, 2013 to change its name to "Milestone Medical, Inc.",

No permit was required in order to form the Issuer.

4.5 Short background information on the Issuer

In March 2011, Milestone Scientific Inc. (the parent company of the Issuer) entered into an agreement with Beijing 3H (Heart-Help-Health) Scientific Technology Co, Ltd (" Beijing 3H") a medical equipment distribution company organized in the People's Republic of China ("PRC"), to establish a medical joint venture entity named Milestone Scientific Research & Development Inc (the "Company") and develop an intra-articular and epidural drug delivery instruments. Beijing 3H, agreed to contribute $1.5 million in cash for a 50% ownership interest to this medical joint venture and Milestone Scientific Inc. contributed a royalty – free right to use its patented *Compuflo* Technology which was valued initially at $1.5 million for the remaining 50% ownership interest.

The Issuer was organized as a Delaware corporation under the name Milestone Scientific Research and Development, Inc. on March 8, 2011.

On June 20, 2013 the Issuer changed its name to Milestone Medical, Inc.

Following its organization the Issuer began working on adapting Milestone Scientific's *CompuFlo* technology, to the needs of the epidural and intra-articular marketplaces pursuant to the licenses granted to the Company by Milestone Scientific.

4.6 Types and values of the Issuer's equity (funds) and rules of their formation

Common Stock

The holders of outstanding shares of common stock are entitled to receive dividends out of legally available assets when and to the extent determined by the Issuer's Board of Directors

from time to time. Each shareholder is entitled to one vote for each share held by him on each matter submitted to a vote of shareholders. At an election of directors, each Director is elected by a plurality of the voting shares of common stock. The shares of common stock are not entitled to preemptive rights and are not convertible or redeemable. In the case of a liquidation, dissolution or other termination of the Issuer's business, the holders of common stock are entitled to share ratably in the distribution of all of its assets remaining available for distribution after all of the Company's liabilities have been satisfied and any preferential distributions have been made to holders of Preferred Stock then outstanding. Each outstanding share of common stock is, and all shares of common stock to be outstanding are fully paid and non-assessable.

Preferred Stock

Under the Issuer's Certificate of Incorporation, the Company's Board of Directors has the authority, without further action by shareholders, to issue from time to time up to 5,000,000 shares of preferred stock in one or more series. The Board of Directors may fix the number of shares, designations, preferences, powers and other special rights of each series of the preferred stock. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to holders of a common stock, affect adversely the rights and powers, including voting rights, of the holders of common stock, or have the effect of delaying, deferring or preventing a change in control in the Issuer. No shares of the preferred stock have been issued or designated.

Authorized but Unissued Shares

The authorized but unissued shares of common and preferred stock are available for future issuance without shareholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares could render more difficult or discourage an attempt to obtain control of the Issuer by means of a proxy contest, tender offer, merger or otherwise.
The Delaware General Corporation Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless the corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. The Issuer's Certificate of Incorporation does not impose any supermajority vote requirements.

Additional paid-in capital

A value included in the contributed surplus account in the shareholders' equity section of the Company's balance sheet. The account represents the excess paid by an investor over the par-value price of a stock issue. Additional paid-in-capital can arise from issuing either preferred or common stock.

Accumulated deficit

Describes the amount of net loss that is incurred in a given year when a business shows a negative balance in its retained earnings. This type of deficit is realized when the company fails to make a profit for that particular year. While methods of accounting for an accumulated deficit vary somewhat, it is common for businesses to note the amount of the net loss under the shareholder equity carried by the firm. This makes it possible to document the loss in the company's accounting records as well as identify the amount for purposes of claiming any applicable tax breaks for the period in which the loss occurred.

Transfer Agent, Warrant Agent and Registrar

The transfer agent and registrar for the Issuer's common stock and the warrant agent for the warrants is Continental Stock Transfer & Trust Company, located in New York.

Table 10 The Issuer's shareholders' equity (deficit) – in US dollars

SHAREHOLDERS' EQUITY	JUNE 30, 2013 (Audited)	DECEMBER 31, 2012 (Audited)
1. Common stock, par value $0.0001; authorized 50,000,000 shares; 20,000,000 shares issued and outstanding	2,000	2,000
2. Additional paid-in capital	3,383,571	3,204,000
3. Accumulated deficit	(1,843,372)	(1,415,451)
Total shareholders' equity (deficit)	**1,542,199**	**1,790,549**

Source: the Issuer

The above table reflects the 10,000 for one stock split of the Issuer's shares of common stock outstanding on July 31, 2013 and the reduction in the par value of those shares from $0.01 to $0.0001 per share, which change in capitalization occurred after June 30, 2013 and has been reflected in the financial statements set forth later in this Information Document.

4.7 Information about any unpaid portion of the share capital

All share capital issued till the date of Information Document preparation has been fully paid up.

4.8 Information about the projected changes to share capital due to bondholders' exercising their rights attached to convertible bonds or subscription warrants (priority rights) attached to bonds or due to holders of subscription warrants exercising their rights, including the amount of a conditional share capital increase and date when holders' rights to acquire new issue shares expire

As of the date of Information Document preparation, the Issuer has no outstanding convertible securities, exchangeable securities with warrants.

4.9 Number of shares and value of the share capital by which the capital may be increased under the articles of association authorizing the board of directors to increase the share capital within the authorized share capital, as well as the number of shares and value of the share capital by which the share capital may be increased

As of the date of Information Document preparation, according to the Article Fourth of the Issuer's Certificate of Incorporation, the total number of shares which the Company's shall have authority to issue is 55,000,000 shares consisting of:

- 50,000,000 shares of common stock, $0.0001 par value per share (the "Common Stock"), and
- 5,000,000 shares of preferred stock, $0.0001 par value per share (the "Preferred Stock").

The Board of Directors, in the exercise of its discretion, is authorized to issue the undesignated Preferred Stock in one or more series, to determine the powers, preferences and rights, and qualifications, limitations or restrictions, granted to or imposed upon any wholly unissued series of undesignated Preferred Stock, and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by the shareholders.

As of the date of Information Document preparation there is:

- 22,000,000 shares of common stock issued and outstanding (but after giving effect to the 2,000,000 shares being issued to investors in Poland);
- no shares of preferred stock issued and outstanding;
- no shares of common stock issuable upon the exercise of outstanding stock options;
- no shares of common stock issuable upon the exercise of warrants to purchase common stock;

The following reflects the 10,000 for one stock split of the shares of common stock outstanding on July 31, 2013 and the reduction in the par value of those shares from $0.01 to $0.0001 per share.

The Issuer's authorized but unissued shares of common stock will be available for future issuance without shareholder approval (except, if issued in transactions, such as mergers, specifically requiring approval under Delaware Law – under GCLSD).

4.10 Financial instrument markets on which the Issuer's financial instruments or the related depositary notes are or were listed

The Issuer's financial instruments are not traded on any market. The Issuer has not issued depository notes.

However, the Issuer is expecting to apply for OTC Market in United States/WSE regulated market listing no later than 13 months after the first trading day of the Issuer's shares of common stock in the alternative trading system on NewConnect market.

4.11 Basic information about organizational or capital relations of the Issuer having a significant impact on its business, including essential units of its group; for each unit, at least the (business) name, legal form, registered office, business objects and the Issuer's interest in the share capital and total vote

Up to the date of Information Document completion, the Issuer doesn't have any subsidiary, so it doesn't constitute a capital group.

4.11.1 Personal, property and organizational relations between the Issuer and members of the Issuer's Board of Directors and Executive Officers

Personal relations

There is no family or personal relationship between any of the Issuer's Directors or Executive Officers.

Property and organizational relations

Dr. Feng Yulin, the Issuer's Director is also the general manager of Beijing 3H, Milestone Scientific's joint venture partner in the Issuer.

There are no other property and organizational relationship between any of the Issuer's Directors or Executive Officers.

4.11.2 Personal, property and organizational relations between the Issuer or members of the Issuer's Board of Directors and Executive Officers and the Issuer's significant shareholders

Personal relations

There is no family, personal relationship between any of the Issuer's Directors or Executive Officers and the Issuer's significant shareholders.

Property and organizational relations

Mr. Leonard Osser, the Issuer's Chief Executive Officer and Director is also a significant beneficial shareholder of the Issuer because he is deemed the beneficial owner of the shares owned by Milestone Scientific as its President and Chief Executive Officer. On the date of Information Document preparation, *Mr. Osser* beneficially owns 10,000,000 shares of the Issuer's common stock.

Mr. Joseph D'Agostino, the Issuer's Chief Financial Officer is also a significant beneficial shareholder of the Issuer because he is deemed the beneficial owner of shares owned by Milestone Scientific as its Chief Operating Officer and Chief Financial Officer. On the date of Information Document preparation, *Mr. D'Agostino* beneficially owns 10,000,000 shares of the Issuer's common stock.

Dr. Feng Yulin, the Issuer's Director is also a significant shareholder of the Issuer. On the date of Information Document preparation, *Dr. Feng beneficially* owns 4,000,000 of the Issuer's shares of common stock (including 2,000,000 shares owned of record by his wife Dong Bingmei).

There are no other property and organizational relationship between any of the Issuer's Directors or Executive Officers and the Issuer's significant shareholders.

4.11.3 Personal, property and organizational relations between the Issuer or members of the Issuer's Board of Directors and Executive Officers or the Issuer's significant shareholders and the Authorized Adviser (or persons on the Authorized Adviser's managing and supervisory authorities)

According to the best knowledge of the Issuer and its Authorized Adviser between the Issuer or persons on the Issuer's managing and supervising authorities or the Issuer's significant shareholders and WDM Autoryzowany Doradca Sp. z o.o. (the Issuer's Authorized Adviser) or persons on the Authorized Adviser's managing and supervisory authorities there are no personal, property or organizational relations.

4.12 Basic information about main products, goods or services, together with their value and quantity and share of each group's products, goods and services, or, if essential, individual products, goods and services in total sales of the group and the Issuer, broken down to business segment

4.12.1 General business overview

The Issuer holds a royalty – free, world-wide license to use painless, computer-controlled injection and drug delivery *CompuFlo* technologies and patents developed by Milestone Scientific for use in the dental and medical markets for the further development, manufacture, marketing and sale of instruments and related disposables for use in epidural injection and intra-articular drug delivery. The license was granted to the Issuer by its co-founder and then 50% parent company Milestone Scientific as Milestone Scientific's contribution to the Issuer's capital. The Issuer believes that instruments and related disposables using the licensed technologies in these fields should improve safety, lower cost and reduce malpractice risk. The first product developed beyond the prototype stage is an epidural injection instrument and related disposables. In studies made by Milestone Scientific, a prototype of the epidural instrument repetitively and correctly identified the epidural space. The epidural instruments and related disposables were submitted to the FDA for marketing clearance on March 21, 2013 and the FDA has asked for additional information as to its equivalence with previously approved instruments. Milestone Scientific, on behalf of the Issuer, has assembled such information and informally provided it to the FDA. The intra-articular instrument and related disposables were submitted to the FDA for marketing clearance on August 28, 2013.

The license held by the Issuer for epidural and intra-articular injection systems is exclusive, worldwide and royalty-free and extends until the expiration of the last patent licensed thereunder. The licensed technologies represent the first major breakthrough in injection technology since the invention of the hypodermic syringe. Shareholders, including the principal shareholders of Beijing 3H, Milestone Scientific's joint venture partner and a medical equipment distribution company in China, have contributed $1.5 million to the Company while Milestone Scientific contributed its exclusive license on which a similar value was placed.

Parent Milestone Scientific will serve as the exclusive distributor for the products, belonged to the Issuer, in the United States and Canada and Beijing 3H, will serve as a distributor for the products, belonged to the Issuer, in China, Macao, Hong Kong and other regions of Asia. Milestone Scientific has entered into an exclusive distribution agreement with Tri-anim Health Services, Inc. to market the epidural instruments and related disposables to healthcare facilities, the acute care market, long term acute care and US Government acute care facilities, excluding free-standing, non-hospital affiliated pain management clinics and private pain practices. Tri-

anim has placed an initial order for 500 instruments for the 18-month period beginning with FDA marketing clearance.

The Issuer intends to seek a new distributer for these excluded markets or, alternately, develop a sales force to directly market the epidural system to markets not covered by the arrangements with Milestone Scientific and Beijing 3H. The Issuer is not currently producing or distributing its product since it does not yet have FDA marketing clearance. Its current focus is on getting FDA clearance and establishing relationships for distribution and marketing once FDA clearance is obtained. Once FDA clearance is obtained for the epidural instrument, which is expected by the end of 2013 or early 2014, the Issuer intends to intensify its marketing efforts, to complete arrangements for the manufacture of its products and to sell its epidural instrument and disposables. A similar course of development will be followed for the intra-articular instrument and disposables once FDA marketing clearance for those products is obtained, except that further submission of that instrument and disposable to study medical groups is planned prior to development of a commercial design and prototype.

4.12.2 Technology background

The core technologies and patents covered by the Issuer's license were developed and successfully used by Milestone Scientific in breakthrough dental applications in which more than 50 million injections have been administered to date. Milestone Scientific holds 24 issued patents and has won a number of awards over the past years for its dental products. In particular, the Company believes that pressure sensing technology, which forms a critical part of the licensed core technology, will allow its epidural instruments and related disposables to repetitively and correctly identify the epidural space. Central to Milestone Scientific's intellectual property platform and current product development strategy is its patented *CompuFlo*® technology for the precise delivery of medicaments. The *CompuFlo* pressure/force Computer-Controlled Local Anesthetic Delivery (C-CLAD) technology is an advanced, patented and FDA-approved medical technology for the painless and accurate delivery of drugs, anesthetics and other medicaments into all tissue types, as well as for the aspiration of bodily fluids or previously injected substances. Its regulation and control of flow rate continues to provide the *CompuFlo* and *CompuMed* benefits of painless injections, while its *Dynamic Pressure Sensing*® capability provides visual and audible in-tissue pressure feedback, identifying tissue types to the healthcare provider. This pressure feedback extends the benefit of painlessness from anesthetics with known viscosities to a wide range of liquid drugs and other medicaments with varying viscosities and flow rates. *Dynamic Pressure Sensing* also allows the healthcare provider to know when certain types of tissues have been penetrated and permits the healthcare provider to inject medicaments precisely at the desired location. Thus, pressure feedback can prevent the suffusion of tissue outside the intended target area, a vitally important characteristic in the injection of chemotherapeutics and other toxic substances.

The *CompuFlo* technology consists of two critical elements. One element is the ability to determine exit pressure in situ (in the injection site tissue) at the tip of the needle in real time.

This minimizes tissue damage (and eliminates the pain of the injection) because the flow rate and pressure of the injection are controlled. The other critical element of the technology is an integrated injection database of algorithms that have been defined which allow for the measurement of the exit pressure. This database of algorithms contains the critical components of specific drugs, parameters of needles, tubing and syringes and all other pertinent components for the safe and efficacious delivery of medications for all procedures.

The *CompuFlo* technology also consists of a disposable injection handpiece that provides for precise tactile control during the injection and an electromechanical (computer-controlled) fluid delivery instrument that has the ability to record data from the injection event. As confirmed by numerous noted medical and dental experts within academia and the clinical practice arenas, *CompuFlo* has the potential to greatly increase the safety and efficacy of many drug delivery procedures that currently rely upon the over 150-year-old hypodermic syringe technology and the tactile senses and subjective delivery expertise of the administrator.

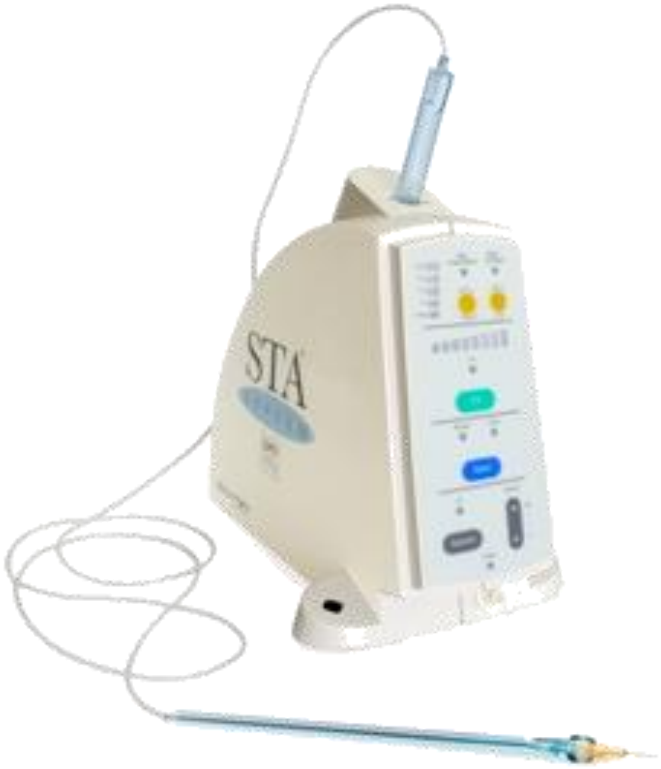
On September 14, 2004, Milestone Scientific was issued United States Patent No. 6,786,885 for the *CompuFlo* technology, entitled "Pressure/Force Computer Controlled Drug Delivery Instrument with Exit Pressure." Proprietary software, working with an innovative technology, allows the instrument to continuously monitor and control the exit pressure of fluid and/or medication during an injection. This same technology also enables doctors to accurately identify different tissue types based on exit pressure during an injection. The technology has numerous applications in both medicine and dentistry, including epidural and intra-articular injections.

In December 2005, Milestone Scientific submitted a pre-market notification to the U.S. Food and Drug Administration (FDA) on its *CompuFlo* technology, which was subsequently cleared by the FDA in July of 2006. This initial submission was critical for Milestone Scientific's continuing efforts to develop and commercialize this important technology. *CompuFlo* enables health care practitioners to monitor and precisely control "pressure," "rate" and "volume" during all injections and can be used to inject all liquid medicaments as well as anesthetics. *CompuFlo* can also be used to aspirate body fluids. Milestone Scientific has identified a number of potential applications for *CompuFlo*, including single-tooth dental injections, self-administered drug delivery, osteoarthritis joint pain management and epidurals.

Given Milestone Scientific's experience and established brand awareness within the dental industry, it elected to focus its initial product development efforts on the integration of *CompuFlo* into its legacy computer-controlled dental injection instrument, while seeking joint-venture partners for, at least, its initial medical instruments. As a result, Milestone Scientific then developed the industry's first solution for painlessly administering a single-tooth injection as the only injection necessary for achieving anesthesia, foregoing the need to administer a traditional nerve branch block. This new instrument, which also provides for use of a disposable handpiece, was trademarked the "STA Single Tooth Anesthesia Instrument™," now more commonly known as the STA Instrument. The *CompuFlo* technology has been tried and proven in human and

animal studies and by dentists throughout the world who are using the STA Instrument in their practices.

Graph 1 STA Single Tooth Anesthesia Instrument



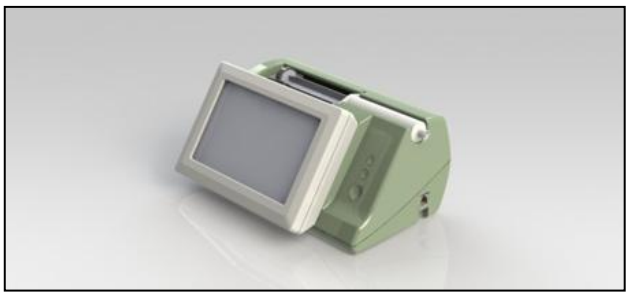
Source: The Issuer

Negative side effects from the use of traditional hypodermic drug delivery injection syringes are well documented in dental and medical literature and include risk of death, transient or permanent paralysis, pain, tissue damage and post-operative complications. The pain and tissue damage are a direct result of uncontrolled flow rates and pressures that are created during the administration of drug solutions into human tissue. While several technologies have been capable of controlling flow rate, the ability to accurately and precisely control pressure has been unobtainable until the development of *CompuFlo*.

Precisely controlling in-tissue pressure increases patient safety by reducing the risk of tissue damage and post-treatment pain related to excessive pressure that may occur during certain injections. Identification of the tissue, in which the needle tip is imbedded, is believed to be highly important in epidural injections, intra-articular injections and numerous organ, subcutaneous and intramuscular injections.

4.12.3 Information about main products

CompuFlo Based Epidural Injection Instrument



The Issuer's *CompuFlo* based Epidural Injection Instrument has been developed to transform the administration of epidurals and improve the safety of epidural procedures, lower costs, and significantly reduce malpractice risk. The *CompuFlo*'s pressure sensing technology embedded in the Company's epidural instrument provides an objective tool that consistently and accurately identifies the epidural space by detecting the difference in pressure between the ligamentum flavum and the extraligamentary tissue. In studies using the Issuer's epidural instrument the epidural space has been correctly and consistently identified. Knowing the precise location of a needle during an epidural injection procedure provides a measure of safety not presently available to doctors using conventional syringes, who identify the epidural space by relying on the subjective perception of loss of resistance to saline.

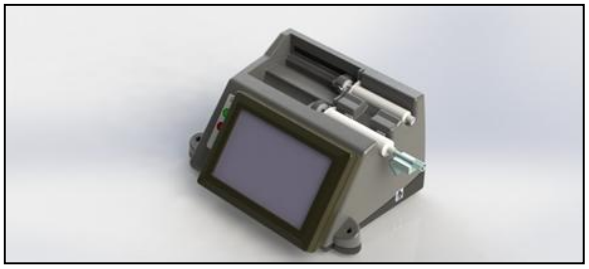
Single Use Disposable

A Single use disposable is an important component of the Issuer's *CompuFlo* based Epidural Injection system.

The single use disposable consists of the ID Adapter; the External in-line fluid pressure sensor; the 20 ml syringe and the tubing set. These will initially be purchased sterile and assembled in a package in the US. In the future they will be purchased non sterile and packaged and sterilized in China.

The Issuer's epidural instrument was developed pursuant to a 2011 joint venture agreement with Beijing 3H (Heart-Help-Health) Scientific Technology Co., Ltd. ("Beijing 3H"), a medical equipment distribution company in China. The agreement provides for the development, commercialization, manufacture and marketing of epidural and intra-articular injection instruments. Milestone Scientific has a 50% interest in the joint venture. Controlling shareholders of Beijing 3H, and a small group of individual shareholders, including a large shareholder in Milestone Scientific, who is also the Chief Executive Officer of a supplier to Milestone Scientific, also has a 50% interest in the joint venture. These shareholders contributed $1.5 million to the Issuer while Milestone Scientific contributed its exclusive license on which a similar value was placed.

CompuFlo® Based Intra-articular Injection System



The Issuer's *CompuFlo*® based Intra-articular Injection Instrument has been developed to overcome the difficulties of using a conventional syringe to inject into both large and small joints in treatment of arthritis and other joint conditions. Often when given with a conventional syringe these injections are not efficacious, because the doctor using the syringe failed to locate the intra-articular space or did not inject the appropriate volume of hyaluronic acid or other medicament into that space. These difficulties are magnified because often the medicament being injected is highly viscous hyaluronic acid. Arthritis patients are thus obliged to endure multiple painful injections for a lifetime. The *CompuFlo* technology, in an independent animal study, has been successful in administering viscous hyaluronic acid and other medicaments into the intra-articular space in both small and large joints using its computer-controlled pressure sensing capabilities.

4.12.4 Revenues – product and geographical segmentation

The Issuer historically hasn't generated revenues which is why it can't present product or geographical segmentation of its revenues.

4.12.5 Collaborative and Licensing Arrangements

The Issuer holds a royalty-free license to use technology and patents owned by Milestone Scientific for the development, marketing and sale of epidural and intra-articular systems.

4.12.6 Marketing and Sales

Pursuant to the joint venture agreement between Milestone Scientific and Beijing 3H, Beijing 3H has exclusive distribution rights in the People's Republic of China, Macao, Hong Kong and other regions of Asia designated by Beijing 3H and Milestone Scientific has responsibility to arrange for distribution in the U.S. and Canada.

Milestone Scientific in carrying out its distribution obligation in the U.S. has entered into an exclusive distribution agreement in July 2013 with Tri-anim Health Services, Inc. to market the epidural system to healthcare facilities, the home healthcare market, the acute care market, long term acute care and U.S. Government acute care facilities, excluding free-standing, non-hospital affiliated pain management clinics and private pain practices. Tri-anim has placed an initial order for 500 instruments for the 18-month period beginning with FDA marketing clearance. In advance of this clearance, Tri-anim has prepared preliminary plan for the promotion of the Epidural System and the development of the market. The Issuer expects to obtain this FDA clearance and commence the commercial roll-out of its epidural instrument in 2014. Milestone

Scientific intends to seek a new distributer for non-hospital affiliated pain management clinics and private pain practices or, alternately, develop a sales force to directly market the epidural system to these markets.

The future success of the Issuer depends on its ability to establish another distribution relationship in the U.S. for the markets excluded from the Tri-anim exclusive market and with other distributors world-wide, to hire and retain marketing and sales personnel, provide for their proper training and ensure adequate customer support. To this end, the Company has recently hired a part time Director of Sales, who will become full time after consummation of this Offering and after consummation of the Offering will seek a full time Chief Operating Officer and Director of Marketing. The Issuer cannot assure that it will be able to establish additional distributor relationships, hire and retain an adequate marketing and sales force or engage suitable distributors, or that its sales force or distributors will be able to successfully market and sell its products.

4.12.7 The Issuer's market overview

The overall epidural market is significant, with approximately $1 billion in annual sales in the U.S. alone, and approximately 2.5 million U.S. women giving birth each year who receive epidurals. Epidural injections are typically performed blindly or, occasionally, with fluoroscopic guidance, guidance not always available to the anesthetist or unsuitable because of the exposure of the patient to excess radiation. The insertion of an epidural needle in a blind procedure requires anesthetists to assess whether or not the needle has entered the epidural space, a space of only 2-8 mm in depth. Since the method for determining correct placement, other than through fluoroscopy, are largely subjective they are associated with mistakes. If the epidural needle is placed in too shallow a position no epidural anesthesia is accomplished. If it is placed too deep the dural membrane may be punctured and the patient subjected to possible leakage of spinal fluid. Complications from conventional epidurals include wet tap, dural membrane puncture, catheter misplacement into a vein, neurological injury or, rarely, even death.

The Issuer believes its epidural instrument has the potential to transform the administration of epidurals and improve the safety of epidural procedures, lower costs, and significantly reduce malpractice risk. In addition to the birthing market, it sees significant opportunities for its epidural instrument in the pain management market.

Though reliable statistics are not available, the Issuer believes that approximately 8.9 million epidurals are administered annually in the U.S. for pain management and purposes other than birthing.

4.12.8 Description of the Issuer's competition

The Issuer's epidural and intra-articular instruments use Milestone Scientific's proprietary, patented *CompuFlo* technology to compete with disposable and reusable syringes that generally

sell at lower prices and that use established and well-understood methodologies in both the dental and medical marketplaces.

CompuFlo instruments compete on the basis of their performance characteristics and the benefits provided to both the practitioner and the patient. Clinical studies have shown that the instruments reduce fear, pain and anxiety for many patients, and the Issuer believes that they can reduce practitioner stress levels, as well.

The Issuer faces intense competition from many companies in the medical device industry, possessing substantially greater financial, marketing, personnel, and other resources. Most competitors have established reputations, stemming from their success in the development, sale, and service of competing dental products. Further, rapid technological change and research may affect the products. Current or new competitors could, at any time, introduce new or enhanced products with features that render the products less marketable or even obsolete. Therefore, the Company must devote substantial efforts and financial resources to improve existing products, bring products to market quickly, and develop new products for related markets. In addition, the ability to compete successfully requires that the Issuer establishes an effective distribution network and with a strong marketing plan. New products must be approved by regulatory authorities before they may be marketed. The Issuer cannot assure that it can compete successfully; that Issuer's competitors will not develop technologies or products that render the products less marketable or obsolete; or, that the Issuer will succeed in improving the existing products, effectively develop new products, or obtain required regulatory approval for those products.

4.12.9 Patents and Intellectual Property

The Issuer holds a world-wide, royalty free license to use for the following U.S. utility and design patents owned by Milestone Scientific for the development, marketing, manufacture and sale of products for the epidural and intra-articular injection markets:

Table 11 List of patents and intellectual properties

	U.S. PATENT NUMBER	DATE OF ISSUE
Computer Controlled Drug Delivery Systems		
Dental Anesthetic and Delivery Injection Unit	6,022,337	2/8/2000
Design for a Dental Anesthetic Delivery System Holder	D422,361	4/4/2000
Design for a Dental Anesthetic Delivery System Housing	D423,665	4/25/2000
Design for a Dental Anesthetic Delivery System Handle	D427,314	6/27/2000
Cartridge Holder for Injection Device	6,132,414	10/17/2000
Dental Anesthetic Delivery Injection Unit	6,152,734	11/28/2000
Microprocessor-controlled Fluid Dispensing Apparatus	6,159,161	12/12/2000
Pressure/Force Computer Controlled Drug Delivery System	6,200,289	3/13/2001
Dental Anesthetic and Delivery Injection Unit with Automated Rate Control	6,652,482	11/25/2003
Pressure/Force Computer Controlled Drug Delivery System with Exit Pressure	6,786,885	9/14/2004
Pressure/Force Computer Controlled Drug Delivery System with Automated Charging	6,887,216	5/3/2005
Drug Delivery System with Profiles	6,945,954	9/20/2005
Cartridge Holder for Anesthetic and Delivery Injection Device	D558,340	12/25/2007
Design for Drive Unit for Anesthetic	D566,265	4/8/2008
Design for Drive Unit for Anesthetic	D579,540	10/28/2008
Drug Infusion Device with Tissue Identification Using Pressure Sensing	7,449,008	11/11/2008
Computer Controlled Drug Delivery Systems with Pressure Sensing	7,618,409	11/17/2009
Hand Piece for Fluid Administration	7,625,354	12/1/2009
Self-Administration Injection System	7,740,612	6/22/2010
Computer controlled drug delivery system with dynamic pressure sensing	7,896,833	3/1/2011
Engineered Sharps Injury Protection Devices		
Handpiece for Injection Device with a Retractable and Rotating Needle	6,428,517	8/6/2002
Safety IV Catheter Device	6,726,658	4/27/2004
Safety IV Catheter Infusion Device	6,905,482	6/14/2005
Handpiece for Injection Device with a Retractable and Rotating Needle	6,966,899	11/22/2005

Source: the Issuer

The Issuer relies on a combination of patent, copyright, trade secret, and trademark laws and employee and third party nondisclosure agreements to protect intellectual property rights. Despite the precautions taken by the Company or Milestone Scientific to protect the products, unauthorized parties may attempt to reverse engineer, copy, or obtain and use products and information that the Issuer regards as proprietary, or may design products serving similar purposes that do not infringe on Milestone Scientific's patents. Failure to protect the Issuer's proprietary information and the expenses of doing so could have a material adverse effect on the operating results and financial condition.

In the event that the products infringe upon patent or proprietary rights of others, the Issuer or Milestone Scientific may be required to modify processes or to obtain a license. There can be no assurance that the Issuer or Milestone Scientific would be able to do so in a timely manner, upon acceptable terms and conditions, or at all. The failure to do so would have a material adverse effect on the Company.

4.12.10 Regulations and legislations related to the Issuer's activity

The manufacture and sale of medical devices and other medical products are subject to extensive regulation by the FDA pursuant to the FDC Act, and by other federal, state and foreign authorities. Under the FDC Act, medical devices must receive FDA clearance before they can be marketed commercially in the U.S. Some medical products must undergo rigorous pre-clinical and clinical testing and an extensive FDA approval process before they can be marketed. These processes can take a number of years and require the expenditure of substantial resources. The time required for completing such testing and obtaining such approvals is uncertain, and FDA clearance may never be obtained. Delays or rejections may be encountered based upon changes in FDA policy during the period of product development and FDA regulatory review of each product submitted. Similar delays also may be encountered in other countries. Following the enactment of the Medical Device Amendments to the FDC Act in May 1976, the FDA classified medical devices in commercial distribution into one of three classes. This classification is based on the controls necessary to reasonably ensure the safety and effectiveness of the medical device. Class I devices are those devices whose safety and effectiveness can reasonably be ensured through general controls, such as adequate labeling, pre-market notification, and adherence to the FDA's Quality Instrument Regulation ("QSR"), also referred to as "Good Manufacturing Practices" ("GMP") regulations. Some Class I devices are further exempted from some of the general controls. Class II devices are those devices whose safety and effectiveness reasonably can be ensured through the use of special controls, such as performance standards, post-market surveillance, patient registries, and FDA guidelines. Class III devices are those which must receive pre-market approval by the FDA to ensure their safety and effectiveness. Generally, Class III devices are limited to life-sustaining, life-supporting or implantable devices.

If a manufacturer or distributor can establish that a proposed device is "substantially equivalent" to a legally marketed Class I or Class II medical device or to a Class III medical device for which the FDA has not required pre-market approval, the manufacturer or distributor may seek FDA marketing clearance for the device by filing a 510(k) Pre-market Notification. The 510(k) Pre-market Notification and the claim of substantial equivalence may have to be supported by various types of data and materials, including test results indicating that the device is as safe and effective for its intended use as a legally marketed predicate device. Following submission of the 510(k) Pre-market Notification, the manufacturer or distributor may not place the device into commercial distribution until an order is issued by the FDA. By regulation, the FDA has no specific time limit by which it must respond to a 510(k) Pre-market Notification. At this time, the FDA typically responds to the submission of a 510(k) Pre-market Notification within 180 days. The FDA response may declare that the device is substantially equivalent to another legally marketed device and allow the proposed device to be marketed in the U.S. However, the FDA may determine that the proposed device is not substantially equivalent or may require further information, such as additional test data, before the FDA is able to make a determination regarding substantial equivalence. Such determination or request for additional information could delay market introduction of products and could have a material adverse effect on us. If a device that has obtained 510(k) Pre-market Notification clearance is changed or

modified in design, components, method of manufacture, or intended use, such that the safety or effectiveness of the device could be significantly affected, separate 510(k) Pre-market Notification clearance must be obtained before the modified device can be marketed in the U.S. If a manufacturer or distributor cannot establish that a proposed device is substantially equivalent to a legally marketed device, the manufacturer or distributor will have to seek pre-market approval of the proposed device, a more difficult procedure requiring extensive data, including pre-clinical and human clinical trial data, as well as extensive literature to prove the safety and efficacy of the device.

Though the STA Instrument, *CompuFlo*, the Safety Wand and *CompuMed* have received FDA marketing clearance, there can be no assurance that epidural or intra-articular systems will obtain the required regulatory clearance in a timely manner, or at all. If regulatory clearance of a product is granted, such clearance may entail limitations on the indicated uses for which the product may be marketed. In addition, modifications may be made to the products to incorporate and enhance their functionality and performance based upon new data and design review. There can be no assurance that the FDA will not request additional information relating to product improvements; that any such improvements would not require further regulatory review, thereby delaying the testing, approval and commercialization of product improvements; or, that ultimately any such improvements will receive FDA clearance.

Compliance with applicable regulatory requirements is subject to continual review and will be monitored through periodic inspections by the FDA. Later discovery of previously unknown problems with a product, manufacturer, or facility may result in restrictions on such product or manufacturer, including fines, delays or suspensions of regulatory clearances, seizures or recalls of products, operating restrictions and criminal prosecution and could have a material adverse effect on the Company.

The Issuer is subject to pervasive and continuing regulation by the FDA, whose regulations require manufacturers of medical devices to adhere to certain QSR requirements as defined by the FDC Act. QSR compliance requires testing, quality control and documentation procedures. Failure to comply with QSR requirements can result in the suspension or termination of production, product recall or fines and penalties. Products also must be manufactured in registered establishments. In addition, labeling and promotional activities are subject to scrutiny by the FDA and, in certain circumstances, by the Federal Trade Commission. The export of devices is also subject to regulation in certain instances.

The Medical Device Reporting ("MDR") regulation obligates us to provide information to the FDA on product malfunctions or injuries alleged to have been associated with the use of the product or in connection with certain product failures that could cause serious injury. If, as a result of FDA inspections, MDR reports or other information, the FDA believes that the Issuer is not in compliance with the law, the FDA can institute proceedings to detain or seize products, enjoin future violations, or assess civil and/or criminal penalties against us, the officers or employees. Any action by the FDA could result in disruption of operations for an undetermined time.

As the Issuer intends to market and sell its products in the Republic of China, it is also subject to Chinese regulations and authorities. Regulations covering marketing clearance for the instruments and disposables are similar to those of the FDA.

4.12.11 The Issuer's strategy

The Issuer's near-term strategy is to develop and exploit the United States and the Chinese markets, once FDA and other regulatory marketing clearances are obtained, as well as other markets for its epidural instrument and its disposables.

Development and exploitation of the U.S. market

Development of the U.S. market for birthing and alleviation of pain and pain management in hospitals and birthing centers will be carried out through Tri-Anim, a major distributor of medical products in these markets. Tri-Anim has developed a preliminary promotion and development of the market plan which will be fully evolved and completed following FDA approval and the completion of a market-ready product. Marketing efforts by both Tri-Anim and the Issuer will be intensified once FDA clearance is obtained.

Milestone Scientific, on behalf of the Issuer, is also seeking an additional distributor or distributors in the United States for the marketing and sale of the epidural instrument for pain management outside of hospital settings.

Following FDA marketing clearance, the Issuer, through contract manufactures, will manufacture and sell its epidural instrument and disposables. A similar course of development will be followed for the intra-articular instrument and disposable once FDA marketing clearance for those products is obtained, except that further submission of that instrument and disposable to study medical groups is planned prior to development of a commercial design and prototype.

Development and exploitation of the Chinese market

Beijing 3-H will similarly seek to develop the market in the People's Republic of China and certain contiguous areas, following approval by Chinese regulatory authorities.

Development and exploitation of other markets

Following the introduction of shares to the ATS, the Issuer will seek to obtain regulatory approvals for its epidural system in other countries, many of which will automatically grant such approval based upon approval by the United States FDA, and will look to establish distribution arrangements with local distributors in these areas. To facilitate development of these markets and to obtain regulatory approval in jurisdictions not willing to rely solely on U.S. FDA approval, the Issuer will authorize and fund additional clinical studies of its epidural system. The proposed

Chief Operating Officer and Director of marketing will direct the Company's efforts in determining which markets are most opportune for exploitation.

In the intermediate term, the Issuer will also seek to complete development of its intra-articular system and will look to utilize the knowledge and relationships of its Manager of Sales and Business Development to find sales and marketing partners and determine how best to develop the market for this system.

4.12.12 The Issue' objectives/transaction rationale

The principal purpose of this Offering is to raise a working capital that will allow the Issuer to expand marketing of its epidural system, including the hiring of a fulltime chief operating officer and director of marketing, to complete development of its intra-articular system, to assemble and provide the FDA with any information supplemental to that previously submitted for approval of the Issuer's epidural system and to obtain FDA clearance of its intra-articular system once the Company has completed development of a pre-production prototype.

Based on gross proceeds of about $3.0 million and after deduction offering discount, and other estimated offering expenses payable by the Issuer, the net proceeds to the Company from the Offering will be approximately $2.525 million.

The table below lists the specific uses of proceeds:

Table 12 Specific uses of proceeds from the Offering

USE OF CAPITAL	APPROXIMATE AMOUNT ($)	APPROXIMATE PERCENTAGE (%)
1. Sales and marketing	707,000	28,0%
2. Further development of intra-articular system	199,500	7,9%
3. Clinical studies and worldwide regulatory approvals for the Issuer's Epidural Systems	149,000	5,9%
4. Working Capital	1,469,500	58,2%
Total	**$2,525,000**	**100.0%**

Source: the Issuer

Sales and marketing expenses

This amount consists of the costs the Issuer expects to incur to expand its independent and marketing and sales support staff, in the U.S. and internationally. It includes expenses relating to hiring a full time Chief Operating Officer and Director of Marketing and to hiring and training additional sales and marketing personnel, consultant fees, and expenses relating to attending trade shows and conventions and producing marketing materials.

Further development of intra-articular injection system

While the Issuer has already produced a pre-production prototype of its intra-articular system, it requires feedback from the market place as to the needs of medical practitioners. Their comments may necessitate modification to the intra-articular instrument and its disposable and this amount represents the estimate of the funds required for further development of the Company's intra-articular system.

Clinical studies and worldwide regulatory approvals for the Issuer's Epidural Systems

This amount represents the estimated costs of conducting additional clinical studies and obtaining worldwide regulatory approvals for the Issuer's Epidural Systems.

Working capital

These costs include general and administrative costs, including the cost of increasing the Issuer's inventory, acquiring and enhancing its operating, support and management systems and capital expenditures for computers and other equipment.

The above information represents the Company's best estimate of its capital requirements based upon the current status of its business. The Issuer will retain broad discretion in the allocation of the net proceeds within the categories listed above. The amounts actually expended for these purposes may vary significantly and will depend on a number of factors, including the Company's rate of revenue growth, cash generated by operations, evolving business needs and the other factors described in "Risk Factors."

Pending their use, the Issuer intends to invest the net proceeds of the offering in interest bearing, investment grade securities.

The Issuer expects that the net proceeds from this Offering, and possible revenue from operations, will be sufficient to fund its operations and capital requirements for at least 12 months following this Offering. The Company may be required to raise additional capital through the sale of equity or other securities sooner if its operating assumptions change or prove to be inaccurate. The Issuer cannot assure that any financing of this type would be available. In the event of a capital inadequacy, the Issuer would be required to limit its growth and the expenditures described above.

4.13 Description of major domestic and foreign investment projects of the Issuer, including capital investments, for the period covered by the financial statements or consolidated financial statements included in the Information Document

As at June 30, 2013, the Issuer had expended more than $1.4 million of its original cash infusion on the development of its epidural and intra-articular injection systems.

General description of planned activities and investments of the Issuer and the planned timetable of their implementation following the introduction of the Issuer's instruments to the alternative trading system – for an issuer earning no regular income from pursued operations

Following the introduction of shares to the ATS, the Issuer will seek to obtain regulatory approvals for its epidural system in other countries, many of which will automatically grant such approval based upon approval by the United States FDA, and will look to establish distribution arrangements with local distributors in these areas. To facilitate development of these markets and to obtain regulatory approval in jurisdictions not willing to rely solely on U.S. FDA approval, the Issuer will authorize and fund additional clinical studies of its epidural system. The proposed Chief Operating Officer and Director of marketing will direct the Company's efforts in determining which markets are most opportune for exploitation.

The Issuer expects to commence marketing and sale of its epidural instruments, following obtaining U.S. FDA marketing approval, which approval is expected by the end of 2013 or early 2014. The Issuer intends to seek a new distributer for these excluded markets or, alternately, develop a sales force to directly market the epidural system to markets not covered by the arrangements with Milestone Scientific and Beijing 3H. The Issuer is not currently producing or distributing its product since it does not yet have FDA marketing clearance. Its current focus is on getting FDA clearance and establishing relationships for distribution and marketing once FDA clearance is obtained. Once FDA clearance is obtained for the epidural instrument, which is expected by the end of 2013 or early 2014, the Issuer intends to intensify its marketing efforts, to complete arrangements for the manufacture of its products and to sell its epidural instrument and disposables.

Since the Issuer's intra-articular instrument is at an earlier stage of development and further development of that instrument and its disposable to reflect the needs and preferences of potential users is expected marketing and sales will occur at a later date, even if the U.S. FDA marketing approval is obtained on the recently filed application. Marketing and sale of the intra-articular instrument is expected to begin approximately one year following FDA marketing approval. The intra-articular instrument and related disposables were submitted to the FDA for marketing clearance on August 28, 2013. A similar course of development as described in case of epidural instrument and disposables will be followed for the intra-articular instrument and

disposables once FDA marketing clearance for those products is obtained, except that further submission of that instrument and disposable to study medical groups is planned prior to development of a commercial design and prototype.

4.14 Information about bankruptcy, composition or liquidation proceedings instituted with respect to the issuer

Up to date of Information Document preparation, according to the best knowledge of the Issuer, there are no bankruptcy, composition or liquidation proceedings instituted with respect to the Issuer and there are no threats that such situation can happen to the Company in the nearest future.

4.15 Information about settlement, arbitration or enforcement proceeding instituted with respect to the Issuer, if the outcome of such proceedings is or may be of significance for the Issuer's business

Up to date of Information Document preparation, according to the best knowledge of the Issuer, there are no settlement, arbitration or enforcement proceedings instituted with respect to the Issuer.

4.16 Information about any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceeding that are threatened according to the Issuer's knowledge, which might have had or have recently had or may have significant impact on the Issuer's financial situation, or information about the lack of such proceedings

Up to date of Information Document preparation, according to the best knowledge of the Issuer, there are no any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, instituted with respect to the Issuer, though application has been made by Milestone Scientific for marketing clearance of the epidural system.

Moreover, according to the best knowledge of the Issuer, there are no proceedings that are threatened.

4.17 The Issuer's obligations relevant to performance obligations towards holders of financial instruments, which are specifically related to its economic or financial situation

Up to date of Information Document preparation, according to the best knowledge of the Issuer, there are no performance obligations towards holders of financial instruments.

4.18 Information about non-standard circumstances or events affecting business profit/loss for the period covered by financial statement contained in this Information Document

Up to date of Information Document preparation, according to the best knowledge of the Issuer, there are no non-standard circumstances or events affecting business profit/loss for the period covered by financial statement contained in this Information Document.

4.19 Any significant changes to the economic, property and financial situation of the Issuer and its group and other information relevant to the assessment of such changes, which occurred after financial statement contained in this Information Document

Subsequent to June 30, 2013 the Issuer raised $150,000 from its shareholders and, through Milestone Scientific, informally submitted further information to the FDA on the Issuer's epidural instrument.

On August 28, 2013 the current version of the Issuer's intra-articular instrument and related disposables were submitted to the FDA for market clearance on 510(k) application.

In October 2013, the Issuer successfully completed the offering of its shares at the territory of Poland and as a result the Company entered into Subscription Agreements for 2.000.000 shares of its common stock. The Issuer net proceeds from the completed offering are approximately $2.525 million, which will be expensed in the areas indicated in chapter 4.12.12 of this Information Document.

4.20 The Issuer's managing and supervisory persons

4.20.1 Board of Directors

Table 13 Board of Directors

NAME OF DIRECTOR	CURRENT AGE	DIRECTOR SINCE	END OF TERM

Leonard A. Osser	**65**	**March 2011**	**Next Annual Meeting of Shareholders**
Feng Yulin	**48**	**March 2011**	**Next Annual Meeting of Shareholders**
Zhu Yun	**48**	**September 2013**	**Next Annual Meeting of Shareholders**
Martin S. Siegel	**69**	**September 2013**	**Next Annual Meeting of Shareholders**

Source: The Issuer

LEONARD A. OSSER – CHIEF EXECUTIVE OFFICER AND DIRECTOR

First name and surname, position or functions at the issuer, and term of office expiry date:

Mr. Osser has been the Issuer's Chief Executive Officer and Director since its founding in March 2011. Currently he is also a member of the Issuer's Audit Committee and the Issuer's Compensation Committee. His current term as Chief Executive Officer and Director will expire upon the election of a successor.

Description of qualifications and professional experience:

Mr. Osser has been the Issuer's Chief Executive Officer and Director since its founding in March 2011. He has also served as Milestone Scientific's Chief Executive Officer since September 2009. Prior to that, he served as Milestone Scientific's Chairman from 1991 until September of 2009, and during that time, from 1991 until 2007, was also its Chief Executive Officer. In September 2009, he resigned as Chairman of Milestone Scientific and assumed the position of Chief Executive Officer. From 1980 until the consummation of Milestone's public offering in November 1995, *Mr. Osser* was primarily engaged as the principal owner and Chief Executive Officer of U.S. Asian Consulting Group, Inc., a New Jersey-based provider of consulting services specializing in distressed or turnaround situations in both the public and private markets.

Information about activities performed by the person outside the Issuer where such activities are significant for the Issuer:

Mr. Osser didn't perform outside the Issuer any significant activities for the Issuer.

Information about all commercial law companies and partnerships in which, within at least the last three years, the person was a member of managing or supervisory bodies or a

partner, indicating whether the person still performs functions on such bodies or is still a partner:

Mr. Osser wasn't a member of managing or supervisory bodies or a partner of any commercial law company or partnership within at least the last three years.

Information about legally valid court decisions condemning the person for the crime of fraud within at least the last five years and indicating whether the person has been prohibited by the court to act as a member of managing or supervisory bodies in commercial law companies and partnerships within at least the last five years:

No such court decision.

Details of all cases of bankruptcy, compulsory administration or liquidation, within at least the last five years, for entities in which the person was a member of managing or supervisory bodies:

None.

Information whether the person performs activities competitive to the activities of the Issuer or is a partner in a competitive civil partnership or commercial law company or partnership or a member of a body of a joint-stock company or a member of a body of any competitive legal person:

Mr. Osser doesn't perform competitive activities to the activities of the Issuer.

Information whether the person has a record in the register of insolvent debtors:

No.

FENG YULIN, M.D. – DIRECTOR

First name and surname, position or functions at the issuer, and term of office expiry date:

Dr. Feng Yulin, M.D. has been the Issuer's Director since its founding in March 2011. Currently he is also a member of the Issuer's Audit Committee and the Issuer's Compensation Committee. His current term as Director will expire at the next Annual Meeting of Shareholders.

Description of qualifications and professional experience:

Dr. Feng has been the General Manager of Beijing 3-H and Beijing Hengtaixinkang Medical Group Co, Ltd. since 2004. Prior thereto he had been the General Manager of Beijing Kangdahuli Medical Group Co. Ltd. since 2000. Earlier in his career he was Regional Manager for various medical businesses in China following a position as Sales Manager for a Johnson & Johnson

Chinese affiliate. Following graduation from medical school in 1988 he was engaged in the general practice of medicine at Beijing Youan Hospital. *Mr. Feng* holds a medical degree from Chongqing Medical University.

Information about activities performed by the person outside the Issuer where such activities are significant for the Issuer:

Dr. Feng didn't perform outside the Issuer any significant activities for the Issuer.

Information about all commercial law companies and partnerships in which, within at least the last three years, the person was a member of managing or supervisory bodies or a partner, indicating whether the person still performs functions on such bodies or is still a partner:

Dr. Feng wasn't a member of managing or supervisory bodies or a partner of any commercial law company or partnership within at least the last three years.

Information about legally valid court decisions condemning the person for the crime of fraud within at least the last five years and indicating whether the person has been prohibited by the court to act as a member of managing or supervisory bodies in commercial law companies and partnerships within at least the last five years:

No such court decision.

Details of all cases of bankruptcy, compulsory administration or liquidation, within at least the last five years, for entities in which the person was a member of managing or supervisory bodies:

None.

Information whether the person performs activities competitive to the activities of the Issuer or is a partner in a competitive civil partnership or commercial law company or partnership or a member of a body of a joint-stock company or a member of a body of any competitive legal person:

Dr. Feng doesn't perform competitive activities to the activities of the Issuer.

Information whether the person has a record in the register of insolvent debtors:

No.

ZHU YUN, M.D. - DIRECTOR

First name and surname, position or functions at the issuer, and term of office expiry date:

Mr. Zhu, M.D. has been the Issuer's Director since September, 2013. Currently he is also a member of the Issuer's Audit Committee and the Issuer's Compensation Committee. His current term as Director will expire at the next Annual Meeting of Shareholders.

Description of qualifications and professional experience:

Dr. Zhu since 2005 has been Chairman of the Board of China National Medical Zhongbei Equipment Co., Ltd., a manufacturer of Intra-cardiac and Cardiovascular products as well as large scale equipment such as CT, DSA, MRI, and anesthetic machines cooperative partners including G.E., Philips, Siemens, St. Jude, Fresenius and Cabi. He holds a Medical Degree from Capital Medical University.

Earlier in his career from 2000 to 2005 he was a sales manager for China National Medical Equipment Industry Co., Ltd (CMIC) a manufacturer of radiation imaging products, medical electronic products and consumable supplies. In 1993 he founded Beijing KangNuoGuanJingHua Medical Equipment Co., Ltd, an operator of medical health care facilities, which he served as its General Manager until 2000.

Information about activities performed by the person outside the Issuer where such activities are significant for the Issuer:

Dr. Zhu didn't perform outside the Issuer any significant activities for the Issuer.

Information about all commercial law companies and partnerships in which, within at least the last three years, the person was a member of managing or supervisory bodies or a partner, indicating whether the person still performs functions on such bodies or is still a partner:

Dr. Zhu since 2005 has been Chairman of the Board of China National Medical Zhongbei Equipment Co., Ltd., a manufacturer of Intra-cardiac and Cardiovascular products as well as large scale equipment such as CT, DSA, MRI, and anesthetic machines cooperative partners including G.E., Philips, Siemens, St. Jude, Fresenius and Cabi.

Information about legally valid court decisions condemning the person for the crime of fraud within at least the last five years and indicating whether the person has been prohibited by the court to act as a member of managing or supervisory bodies in commercial law companies and partnerships within at least the last five years:

No such court decision.

Details of all cases of bankruptcy, compulsory administration or liquidation, within at least the last five years, for entities in which the person was a member of managing or supervisory bodies:

None.

Information whether the person performs activities competitive to the activities of the Issuer or is a partner in a competitive civil partnership or commercial law company or partnership or a member of a body of a joint-stock company or a member of a body of any competitive legal person:

Dr. Zhu doesn't perform competitive activities to the activities of the Issuer.

Information whether the person has a record in the register of insolvent debtors:

No.

MARTIN S. SIEGEL – DIRECTOR

First name and surname, position or functions at the issuer, and term of office expiry date:

Mr. Siegel has been the Issuer's Director since September 2013. Currently he is also a member of the Issuer's Audit Committee and the Issuer's Compensation Committee. His current term as Director will expire at the next Annual Meeting of Shareholders.

Description of qualifications and professional experience:

Mr. Siegel is an attorney-at-law and has been a partner of the law firm of Golenbock Eiseman Assor Bell & Peskoe LLP since July 2013. Prior thereto he had been a partner at the law firm of Brown Rudnick, LLP since April 1982. Earlier in his career he was trial attorney at the United States Securities And Exchange Commission for three years and the Chief Attorney, Branch of Enforcement in the SEC's New York Regional Office for an additional three years. *Mr. Siegel* holds a B.A. Degree in Accounting from Hunter College and a JD Degree from Brooklyn Law School.

Mr. Siegel is a trial attorney specializing in complex commercial, business, securities and bankruptcy litigation.

Information about activities performed by the person outside the Issuer where such activities are significant for the Issuer:

Mr. Siegel didn't perform outside the Issuer any significant activities for the Issuer.

Information about all commercial law companies and partnerships in which, within at least the last three years, the person was a member of managing or supervisory bodies or a

partner, indicating whether the person still performs functions on such bodies or is still a partner:

Mr. Siegel is an attorney-at-law and has been a partner of the law firm of Golenbock Eiseman Assor Bell & Peskoe LLP since July 2013. Prior thereto he had been a partner at the law firm of Brown Rudnick, LLP since April 1982 (currently he is not a partner).

Information about legally valid court decisions condemning the person for the crime of fraud within at least the last five years and indicating whether the person has been prohibited by the court to act as a member of managing or supervisory bodies in commercial law companies and partnerships within at least the last five years:

No such court decision.

Details of all cases of bankruptcy, compulsory administration or liquidation, within at least the last five years, for entities in which the person was a member of managing or supervisory bodies:

None.

Information whether the person performs activities competitive to the activities of the Issuer or is a partner in a competitive civil partnership or commercial law company or partnership or a member of a body of a joint-stock company or a member of a body of any competitive legal person:

Mr. Siegel doesn't perform competitive activities to the activities of the Issuer.

Information whether the person has a record in the register of insolvent debtors:

No.

4.20.2 Key people in the Issuer's structure

The following are the names of other important executive officers or directors in the Issuer's structure.

Table 14 Key personnel

NAME OF EXECUTIVE OFFICER OR KEY EMPLOYEE	CURRENT AGE	POSITION
Leonard A. Osser	65	**Chief Executive Officer**
Joseph D'Agostino	61	**Chief Financial Officer**

Stephen Solomon	66	**Director of Engineering and Regulatory Affairs**
Mark Hochman, D.D.S.	55	**Clinical Director and Director of Research and Development**
Joe Bjorklund	47	**Director of Sales and Business Development**
Edward Zelnick, M.D.	67	**Director of Clinical Research**

Source: The Issuer

Leonard A. Osser, Chief Executive Officer:

See biography above.

Joseph D'Agostino, Chief Financial Officer:

Mr. D'Agostino has been the Issuer's Chief Financial Officer since the Company's founding in March 2011. He has also served as Milestone Scientific's Chief Financial Officer since January 2008 and as its Chief Operating Officer since September 2011. *Mr. D'Agostino* brings to Milestone Medical a wealth of finance and accounting experience earned over 25 years serving both publicly and privately held companies. *Mr. D'Agostino* was given the additional position of Chief Operating Officer of Milestone Scientific in September 2011. A results-oriented and decisive leader, he has specific proven expertise in treasury and cash management, strategic planning, information technology, internal controls, Sarbanes-Oxley compliance, operations and financial and tax accounting. Immediately prior to joining Milestone, *Mr. D'Agostino* served as Senior Vice President and Treasurer of Summit Global Logistics, a publicly traded, full service international freight forwarder and customs broker with operations in the United States and China. Previous executive posts also included Executive Vice President and CFO of Haynes Security, Inc., a leading electronic and manned security solutions company serving government agencies and commercial enterprises; Executive Vice President of Finance and Administration for Casio, Inc., the U.S. subsidiary of Casio Computer Co., Ltd., a leading manufacturer of consumer electronics with subsidiaries throughout the world; and Manager of Accounting and Auditing for Main Hurdman's National Office in New York City (merged into KPMG).

Mr. D'Agostino is a Certified Public Accountant and holds memberships in the American Institute of CPA's, New Jersey Society of CPA's, Financial Executive Institute, Consumer Electronics Industry Association and Homeland Security Industry Association. He is a graduate of William Paterson University where he earned a Bachelor of Arts degree in Science.

Stephen Solomon, Director of Engineering and Regulatory Affairs:

Mr. Solomon has served as our Director of Engineering and Regulatory Affairs since March 2011 and of Milestone Scientific since 2007. Previously he was Manager of Engineering Services of RFL Electronics from 1998-2007, Director of Technology Transfer at Medjet from 1996 to 1998

and Manager of Engineering Services from 1991 to 1996. Previously he held managerial and staff engineering positions at Unisys Burroughs Corporation and Perkin-Elmer Interdata. He holds a Master of Science Degree in Mechanical Engineering from Loyola University, a Master of Business Administration from Rutgers and a Bachelor of Science Degree in Engineering and Applied Sciences from the University of California.

***Mark Hochman, D.D.S., Clinical Director and Director of Research and Development*:**

Dr. Hochman has served as Clinical Director and Director of Research and Development of Milestone Medical since March 2011 and of Milestone Scientific since 1999. He has a Doctorate of Dental Surgery with advanced training in the specialties of Periodontics and Orthodontics from New York University of Dentistry and has been practicing dentistry since 1984. He holds a faculty appointment as a clinical associate professor at NYU School of Dental Surgery. Recognized as a world authority on Advanced Drug Delivery Instruments, *Dr. Hochman* has published numerous articles in this area, and shares in the responsibility for inventing much of the technology currently available from Milestone Scientific.

Joe Bjorklund, Director of Sales and Business Development:

Mr. Bjorklund was Vice President of Business Development, Vice President Sales-North America or Business Manager, Emerging Markets of Ultrasonix, Inc., a manufacturer of diagnostic ultrasound systems from 2006 to 2011. Prior thereto he was National Sales Director – Hospital Business for RF Technologies and a regional sales manager for SonoSite Inc. from 2001 to 2003. Earlier in his career he was a Research and Laboratory Coordinator – ARIC (Arthrosclerosis Risk in Communities) at the University of Minnesota Division of Epidemiology from 1995 to 1999. He holds a BA Degree from St. Johns University, Minnesota and an Associate of Science Degree from the Medical Institute of Minnesota.

Edward Zelnick. M.D., Director of Clinical Research:

Dr. Zelnick was the co-founder and Chief Executive Officer of Horizon Institute for Clinical Research, which provided central trial organization and recruitment for clinical research organizations and pharmaceutical companies from 2000 to 2011. Prior thereto he was engaged in the active practice of medicine as a physician and surgeon specializing in obstetrics and gynecology from 1972 to 2000 and had multi-year terms as Chief Department of Ob-Gyn at Hollywood Medical Center, Memorial Regional Hospital and Memorial Hospital West. His research experience includes a study of "Human Participant Protection Education for Research Teams," for the NIH and participation in numerous clinical research studies in diverse fields including Cardiology, Dermatology, Endocrinology, Gastroenterology, Gynecology, Hematology, Infectious Diseases, Neurology, Oncology, Ophthalmology, Orthopedics, Pain Management, Pulmonology, Radiology, Renal Disease, Rheumatology, Urology and Vascular Disease. He holds a medical degree from New York Medical College and B.A. from the University of Pittsburg.

4.20.3 Science advisory board

The Issuer has formed a Science Advisory Board to advises it on medical science matters applicable to its development of products or epidural injections or intra-articular injections using its *CompuFlo* licensed, patents and technology.

The Science Advisory Board presently consists of Paul Davis, M.D., Ralf Erick Gebhard, M.D., Edward Zelnick, M.D., Lorrence Howell Green Ph.D. and Mark Hochman, DDS. Brief biographies of the Science Advisory Board Members are as follows:

Paul Davis, M.D.

Dr. Davis was the Director or Ordway Research Institute from 2002 to 2011. He is currently a Professor of Pharmacy at Albany College of Pharmacy and Health Sciences and a Professor in the Department of Medicine at Albany Medical College. He holds four U.S. patents, one Australian patent and is the inventor on 30 additional pending U.S. and international patents. *Dr. Davis* is the author or co-author of more than 200 scholarly medical articles. He has contributed chapters to more than 30 medical text books. *Dr. Davis* holds a medical degree from Harvard Medical School and a B.A. magna cum laude from Westminster College.

Ralf Erich Gebhard, M.D.

Dr. Gebhard is a Professor in the Department of Anesthesiology and in the Department of Orthopedics and Rehabilitation in the University of Miami, Miller School of Medicine. He is the author of chapters in medical text books:

- Regional Anesthesia For Trauma;
- Post-Operative Pain Management;
- Lower Extremity Nerve Blocks;
- Single Shot Lateral Popliteal Block;
- Continuous Axillary Block;
- Single Shot Axillary Block, and
- Ambulatory Anesthesia Techniques for Orthopedic Surgery.

He is the author of more than two dozen published refereed articles on various topics in Anesthesia including Epidurals and Locating the Epidural Space. He is also the co-author of more than 40 articles relating to epidurals and on epidural related injuries. He has also been the principal investigator or co-investigator in funded research projects on epidurals, nerve blocks and their consequences or related areas and an even larger number of non-funded research projects in which he has been the principal investigator. He also holds editorial responsibilities in various publications in Anesthesiology and Pain Management. In recent years he has held visiting Professorships at the Hospital for Special Surgery, Emory University, Houston Medical

School, Duke University, University of Pittsburgh Medicato College, University of Texas – Health Science Center, Vanderbilt University and the University of Frankfurt Medical School at which he won several teaching awards. He has also served as an invited speaker or faculty members at almost 100 national and international societies meetings, and has served as a program director and organized meetings for continuing medical education at ten such programs.

Dr. Gebhard holds a medical degree from the Rheinisch-Westfälische-Technische Hochsschule Medical School in Aachen, Germany.

Edward Zelnick, M.D.

See biography above.

Lorrence Howell Green, Ph.D.

Dr. Howell has been the Founder and President of Westbury Diagnostics , Inc., a conductor of clinical trials, since 1993. Previously he was a Director of New Product Development at Analytab Products, a Division of Wyeth Pharmaceuticals where his responsibilities included determining causes of all product problems and implementing manufacturing corrections.

He holds a Ph.D. in cell and molecular biology from Indiana University, an MA Degree in Zoology from Indiana University and a BA Degree in biology from Brooklyn College.

Mark Hochman, D.D.S., Clinical Director and Director of Research and Development

See biography above.

4.21 The Issuer's shareholder structure, including specification of shareholder(s) holding at least 5% of votes at the general meeting

The following table, together with the accompanying footnotes, sets forth information, as of date of Information Document preparation regarding stock ownership of all persons known by the Issuer to own beneficially or own more than 5% of the Issuer's outstanding common stock, named Executive Officers, all Directors, and all Directors and Executive Officers of the Issuer as a group.

A person is deemed to be a beneficial owner of securities that can be acquired by such person within 60 days from the date of Information Document preparation, as applicable, upon the exercise of options and warrants or conversion of convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options, warrants and convertible securities that are held by such person (but not held by any other person) and that are exercisable or convertible within 60 days from the date of Information Document preparation. Except as otherwise indicated, and subject to applicable community property and similar laws,

each of the persons named has sole voting and investment power with respect to the shares shown as beneficially owned. All percentages are determined based on the number of all shares, including those underlying options exercisable within 60 days from the date of Information Document preparation held by the named individual, divided by 22,000,000 outstanding shares on the date of Information Document preparation (but after giving effect to the 2,000,000 shares being issued to investors in Poland) plus those shares underlying options exercisable within 60 days from the date of Information Document preparation held by the named individual or the group.

Table 15 Security ownership of the Issuer's Directors and Executive Officers

Names of Directors and Executive Officers	Shares of Common Stock Beneficially Owned (Owned)	Percentage of Beneficially Ownership (Ownership)
LEONARD OSSER	10,000,000 (1)	45.45%
JOSEPH D'AGOSTINO	10,000,000 (2)	45.45%
FENG YULIN	4,000,000 (3)	18.18%
ZHU YUN	1,600,000	7.27%
All Directors & Executive Officers as group (4 persons)	**15,600,000**	**70.9%**

Source: The Issuer

(1) Consists of shares owned by Milestone Scientific of which Mr. Osser is the Chief Executive Officer.

(2) Consists of shares owned by Milestone Scientific of which Mr. D'Agostino is the Chief Operating Officer and Chief Financial Officer.

(3) Consists of shares owned by Mr. Yulin and his wife Dong Bingmei.

In the Table 16 shares issuable pursuant to options or warrants are not deemed to be outstanding for computing the ownership percentage of shareholders holding at least 5% of votes at the general meeting, because only currently outstanding shares can vote at the general meeting. For this reason applicable percentages are based only on 22,000,0000 shares outstanding on the date of Information Document preparation, but after giving effect to the 2,000,000 shares being issued to investors in Poland. All percentages are rounded.

Table 16 Shareholder structure with specification of shareholders holding at least 5% of votes at the general meeting

Name of Shareholder	Number of owned shares/votes	Shareholding/votes at General Meeting of Shareholders [%]
MILESTONE SCIENTIFIC, INC.	10,000,000	45.45%
FENG YULIN	2,000,000	9.09%
DONG BINGMEI	2,000,000	9.09%
ZHU YUN	1,600,000	7.27%
WANG TAO	1,600,000	7.27%
OTHERS (<5%)	4,800,000	21.83%
TOTAL	**22,000,000**	**100%**

Source: The Issuer

4.21.1 „Lock-up" and other agreements

Lock-up agreements signed by current shareholders:

Commitment on the transferability of shares of a temporary exemption will cover all earlier issued 20 million shares of the Issuer's common stock, particularly:

- 10 million (100%) of the Issuer's shares of common stock held by shareholder Milestone Scientific, Inc.
- 2 million (100%) of the Issuer's shares of common stock held by shareholder Dr. Feng Yulin – the Company's Director;
- 2 million (100%) of the Issuer's shares of common stock held by shareholder Ms Dong Bingmei;
- 1,6 million (100%) of the Issuer's shares of common stock held by shareholder Mr. Zhu Yun – the Company's Director,
- 1,6 million (100%) of the Issuer's shares of common stock held by shareholder Mr. Wang Tao;
- 2,8 million (100%) of the Issuer's shares of common stock held by shareholders, who are holding no more than 5% of votes at the general meeting.

Under this temporary agreement not to dispose of the Issuer's shares of common stock, all above Issuer's shareholders undertake that within two years from the date of the first listing of the Company's 2,000,000 shares of common stock in the alternative trading system on NewConnect market, they will not encumber or pledge, nor dispose or otherwise transfer ownership, nor undertake to perform such action as to all or part of the shares covered by this obligation, in any way, to any person unless such action is approved by the Board of Management of Dom Maklerski WDM S.A.

Anti-dilution agreement

The Issuer undertakes that even if in the future the Company wants to issue "cheap shares", it will have to give to "European Investors" the opportunity to buy those "cheap shares" in proportion to their existing holdings. This anti-dilution declaration will protect "European Investors" from cheap future issues.

5 Financial statements

5.1 Report of Independent Registered Public Accounting Firm

BAKER TILLY

formerly
HOLTZ RUBENSTEIN REMINICK

Baker Tilly Virchow Krause, LLP
125 Baylis Road, Suite 300
Melville, NY 11747-3823
tel 631 752 7400
fax 631 752 1742
bakertilly.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Milestone Medical, Inc.
Livingston, New Jersey

We have audited the accompanying balance sheets of Milestone Medical, Inc. (a development stage company) (the "Company") as of June 30, 2013 and December 31, 2012, and the related statements of operations, changes in stockholders' equity and cash flows for the six months ended June 30, 2013, year ended December 31, 2012 and the cumulative period from March 8, 2011 (inception) to June 30, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Milestone Medical, Inc. (a development stage company) as of June 30, 2013 and December 31, 2012, and the results of its operations and its cash flows for the six months ended June 30, 2013, year ended December 31, 2012 and the cumulative period from March 8, 2011 (inception) to June 30, 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements referred to above have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company is in its development stage, has no revenues, has experienced significant losses since inception, and is dependent upon its ability to raise capital from its stockholders or other sources to sustain its operations. These factors, along with other matters as set forth in Note 1, raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Baker Tilly Virchow Krause LLP

New York, New York
September 9, 2013

5.2 Financial statement of the Issuer for six months ended June 30, 2013, year ended December 31, 2012 and from March 8, 2011 (Inception) to June 30, 2013 prepared in accordance with U.S. Generally Accepted Accounting Principles applicable to the Issuer and audited in accordance with Public Company Accounting Oversight Board standards

Milestone Medical Inc.
(A Development Stage Company)
Formerly known as Milestone Scientific Research & Development Inc.

FINANCIAL STATEMENTS

Six months ended June 30, 2013
Year ended December 31, 2012
And from March 8, 2011 (Inception) to June 30, 2013

Milestone Medical Inc.
(A Development Stage Company)
Formerly known as Milestone Scientific Research & Development Inc.

Six months June 30, 2013, year ended December 31, 2012
and from March 8, 2011 (Inception) to June 30, 2013

CONTENTS

MILESTONE MEDICAL INC.
(A DEVELOPMENT STAGE COMPANY)
(Formerly known as MILESTONE SCIENTIFIC RESEARCH & DEVELOPMENT INC.)
BALANCE SHEETS

ASSETS	June 30, 2013	December 31, 2012
Current Assets:		
Cash	$ 13,904	$ 198,049
Advances to contractors	-	18,128
Total current assets	13,904	216,177
Equipment, net of accumulated depreciation of $3,764 as of June 30, 2013 and $471 as of December 31, 2012	73,236	76,529
Intangible Asset	1,500,000	1,500,000
Total assets	$ 1,587,140	$ 1,792,706
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and Accrued Expense	$ 44,941	$ 2,157
Total current liabilities	44,941	2,157
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, par value $.0001; authorized 5,000,000 shares; 0 shares issued		
Common stock, par value $.0001; authorized 50,000,000 shares; 20,000,0000 shares issued and outstanding	2,000	2,000
Additional paid-in capital	3,383,571	3,204,000
Accumulated deficit during the development stage	(1,843,372)	(1,415,451)
Total stockholders' equity	1,542,199	1,790,549
Total liabilities and stockholders' equity	$ 1,587,140	$ 1,792,706

See Notes to Financial Statements

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MILESTONE MEDICAL INC.
(A DEVELOPMENT STAGE COMPANY)
(Formerly known as MILESTONE SCIENTIFIC RESEARCH & DEVELOPMENT INC.)
STATEMENTS OF OPERATIONS

	Six Months Ended June 30, 2013	Year Ended December 31, 2012	March 8, 2011 (Inception) to June 30, 2013
Revenue	$ -	$ -	$ -
Research and development expenses	225,380	916,263	1,384,440
Expenses:			
Shared Services	179,571	206,000	385,571
Depreciation	3,294	471	3,765
General and administrative expenses	19,676	49,420	69,595
Total expenses	427,921	1,172,153	1,843,372
Net loss	$ (427,921)	$ (1,172,153)	$ (1,843,372)
Net loss applicable to common stockholders	(427,921)	(1,172,153)	(1,843,372)

See Notes to Financial Statements

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MILESTONE MEDICAL INC.
(A DEVELOPMENT STAGE COMPANY)
(Formerly known as MILESTONE SCIENTIFIC RESEARCH & DEVELOPMENT INC.)
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
From March 8, 2011 (Inception) to June 30, 2013

	Common Stock		Additional		
	Shares (in thousands)	Amount	Paid-in Capital	Accumulated Deficit	Total
Balance, March 8, 2011 (Inception)	-	$ -	$ -	$ -	$ -
Beijing 3H - Capital contributions received			670,000		670,000
Common stock issued to Milestone Scientific Inc on April 21, 2011 for	10,000	1,000	1,499,000		1,500,000
Net Loss	-	-	-	(243,298)	(243,298)
Balance, December 31, 2011	10,000	1,000	2,169,000	(243,298)	1,926,702
Beijing 3H - Capital contributions received	-	-	830,000	-	830,000
Common Stock issued to Beijing 3H on August 14, 2012	10,000	1,000	(1,000)		-
Contributed Capital-Milestone Scientific Inc Shared Service Expense	-	-	206,000	-	206,000
Net Loss	-	-	-	(1,172,153)	(1,172,153)
Balance, December 31, 2012	20,000	2000	3,204,000	(1,415,451)	1,790,549
Net Loss	-	-	-	(427,921)	(427,921)
Contributed Capital-Milestone Scientific Inc Shared Service Expense	-	-	179,571	-	179,571
Balance, June 30, 2013	20,000	$ 2,000	$ 3,383,571	$ (1,843,372)	$ 1,542,199

See Notes to Financial Statements

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MILESTONE MEDICAL INC.
(A DEVELOMENT STAGE COMPANY)
(Formerly known as MILESTONE SCIENTIFIC RESEARCH & DEVELOPMENT INC.)
STATEMENTS OF CASH FLOWS

	Six months ended June 30, 2013	Year Ended December 31, 2012	March 8, 2011 (Inception) to June 30, 2013
Cash flows from operating activities:			
Net loss	$ (427,921)	$ (1,172,153)	$ (1,843,372)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation expense	3,294	471	3,764
Contributed Capital - Milestone Scientific Inc Shared Services Expense	179,571	206,000	385,571
Changes in operating assets and liabilities:			
Advances to contractors	18,128	331,043	-
Increase in accounts payable and accrued expenses	42,783	2,157	44,941
Net cash used in operating activities	(184,145)	(632,482)	(1,409,096)
Cash flows from investing activities:			
Purchase of equipment	-	(77,000)	(77,000)
Net cash used in investing activities	-	(77,000)	(77,000)
Cash flows from financing activities:			
Proceeds from sale of stock (initial capital)	-	830,000	1,500,000
Net cash provided by financing activities	-	830,000	1,500,000
NET (DECREASE) INCREASE IN CASH	(184,145)	120,518	13,904
Cash at beginning of period	198,049	77,531	-
Cash at end of period	$ 13,904	$ 198,049	$ 13,904
Supplemental disclosure of non cash activities:			
Contributed Capital - Milestone Scientific Inc Shared Services Expense	$ 179,571	$ 206,000	$ 385,571
Issuance of 10,000 shares of common stock in exchange for intangible assets	$ -	$ -	$ 1,500,000

See Notes to Financial Statements

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Milestone Medical Inc.
(A Development Stage Company)
Formerly known as Milestone Scientific Research & Development Inc.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION:

In March 2011, Milestone Scientific Inc entered into an agreement with Beijing 3H Scientific Technology Co, Ltd (" Beijing 3H") a medical equipment distribution company organized in the People's Republic of China ("PRC"), to establish a medical joint venture entity named Milestone Scientific Research & Development Inc (the "Company") and develop an intra-articular and epidural drug delivery instruments. Beijing 3H, agreed to contribute up to $1.5 million in cash for a 50% ownership interest to this medical joint venture and Milestone Scientific Inc. contributed a royalty – free right to use its patented Compuflo Technology which was valued initially at $1.5 million for the remaining 50% ownership interest.

The Company was incorporated in the State of Delaware and is in its development stage. This stage is characterized by significant expenditures for the development, commercialization and for regulatory approval for two medical instruments. As a development stage company, the Company is limited to expending funds provided by its stockholders. Once the Company's planned principal operations commence, its focus will be on the marketing its two instruments throughout the world.

In June 2013, the Company changed its name to Milestone Medical Inc.

The Company has incurred operating losses since its inception. The Company has used cash in operations since inception of approximately $1.4 million. As of June 30, 2013, the Company does not expect to have sufficient cash reserves to meet all of its anticipated obligations for the next twelve months. The Company may require additional cash to finalize its worldwide regulatory requirements and to commercialize its two medical instruments. In order to fund these objectives, the Company will require additional capital from its owners or offer its securities in a public or private offering to raise additional capital. There is no assurance that the Company will receive funding from its owners or be successful in raising additional capital on terms or conditions satisfactory to the Company, if at all. If additional capital can not be raised, the Company will be forced to curtail its development activities.

The Company's losses since inception and requirements to raise additional capital as discussed above raise substantial doubt about its ability to continue as a going concern. The Company's financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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Milestone Medical Inc.
(A Development Stage Company)
Formerly known as Milestone Scientific Research & Development Inc.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting
The accompanying financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates
In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advances to Contractors
The advances to contractors represent funding to a subcontractor for the research and development of the two medical instruments.

Equipment
Equipment (molds for pre-production and commercialized instruments) are recorded at cost, less accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, which range from five to seven years. The costs of maintenance and repairs are charged to operations as incurred.

Intangible Asset
In connection with the formation and capitalization of the Company, the business was valued at inception using the discounted cash flow method, which resulted in a valuation of approximately $3 million. The Company allocated the business valuation between the cash that Beijing 3H agreed to contribute ($1.5 million) and the remaining $1.5 million was allocated to Milestone Scientific Inc.'s contribution of a royalty-free right to use its patented CompuFlow technology (intangible asset). The Company will begin amortizing the intangible asset contributed when either of the two medical devices has been commercialized. The asset's estimated useful life will be based on the average remaining life of the underlying patents. In the development stage the Company assesses the intangible asset for impairment at each reporting period or sooner if there are indicators that trigger an earlier assessment. The Company's impairment assessment is based on several factors including the progress made in developing the two medical instruments, the results from the research performed by the vendor, the Company's ability to use its technical capabilities to forecast the outcome of the research being performed and more recently feedback received from professionals as the Company applies for FDA approval. All these factors indicate

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Milestone Medical Inc.
(A Development Stage Company)
Formerly known as Milestone Scientific Research & Development Inc.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

that the technology continues to be feasible to be used in the two instruments being developed. Accordingly, no impairment has been recorded in these financial statements for the periods being reported.

Research and Development
Research and development costs are expensed as incurred. The Company's research and development efforts are sub-contracted to vendors and progress is monitored periodically.

Income Taxes
Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized.

Accounting for Uncertain Tax Positions
The Company follows the Income Taxes Topic of the FASB Accounting Standards Codification, which provides clarification on accounting for uncertainty in income taxes recognized in the Company's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition.

At June 30, 2013 and December 31, 2012, no significant income tax uncertainties have been included in the Company's financial statements. The Company's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense in the statement of operations. No interest and penalties have been incurred for the six months ended June 30, 2013, year ended December 31, 2012 and from March 8, 2011 (inception) to June 30, 2013. Tax returns since inception are subject to audit by federal and state jurisdictions.

Services Provided by Stockholder
The Company is provided management, financial, engineering and accounting services by the staff of Milestone Scientific, Inc, its joint venture partner. The value related to these services are charged to the Company on a periodic basis. These charges are included in the financial statements as shared service expense. Additional Paid in Capital has been credited for the rendered.

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Milestone Medical Inc.
(A Development Stage Company)
Formerly known as Milestone Scientific Research & Development Inc.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - JOINT VENTURE AGREEMENT:

In connection with the Joint Venture Agreement with Milestone Scientific, Beijing 3H agreed to contribute up to $1.5 million to the Company for the fifty (50) percent ownership. Beijing 3H contributed $670,000 in 2011 and the remaining $830,000 was contributed in 2012. At inception, the Company reviewed this transaction to assess the technological feasibility of the products being developed. Based on the following factors, the Company believed the technology was feasible from inception.

- Milestone Scientific Inc. patented its CompuFlo technology in several instruments.
- The patents were generic for use in the medical and dental markets when granted.
- The capabilities to use this technology existed from CompuFlo technology and as technology evolved the Company has improved the technology over a number of years.
- The Director of Clinical Affairs of the Company was involved significantly in developing these patents initially and his conclusions are that technology is feasible for use in medical devices.

Milestone Scientific Inc. was authorized by the joint venture agreement to manage and oversee the development of the two medical instruments for the Company. In connection with this, Milestone Scientific Inc. entered into an agreement with a vendor to develop the two instruments. Milestone personnel monitored the development of the instruments with the third party vendors on a monthly basis thus ensuring that the instruments are being developed on a timely basis.

Milestone Scientific Inc. charged expenses to the Company based on estimated time expended on the development, supervision and management of the project. For the six months ended June 30, 2013, Milestone Scientific Inc. expended approximately $49,000 on regulatory legal fees (FDA Regulations) and charged the Company $130,000, $206,000 and $336,000 in time charges relating to project management for the six months ended June 30, 2013, year ended December 31, 2012 and from March 8, 2011 (Inception) to June 30, 2013, respectively. These charges have been credited to additional paid-in capital.

Milestone Scientific Inc. will have distribution responsibility in the U.S. and Canada, while Beijing 3H will distribute products exclusively in the PRC, Macao, Hong Kong and other regions of Asia. The Company will have distribution responsibilities for the rest of the world.

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NOTE 4 - RELATED PARTY TRANSACTIONS:

The Company is owned by Milestone Scientific Inc. and Beijing 3H. The Company reimbursed approximately $105,000 of previous research and development expenditures to Milestone Scientific Inc. in 2011. The Company periodically reimburses Milestone Scientific Inc. for the travel and other cost related to the development of the two medical instruments. These expenses reimbursed were $9,047, $16,956 and $26,003 for six months ended June 30, 2013, year ended December 31, 2012, and from March 8, 2011 (Inception) to June 30, 2013, respectively.

The Company is provided management, financial, engineering and accounting services by the staff of Milestone Scientific, Inc, its joint venture partner. The cost related to these services are charged to the Company on a periodic basis as described in Note 3.

The Company purchased equipment for $77,000 from a supplier who is also an investor in the Company and Milestone Scientific, Inc.

NOTE 5 - PROVISION FOR INCOME TAXES:

The Company's deferred tax asset have not been recognized in the accompanying financial statements due to the Company's history of operating losses, which required full valuation allowances for all of The Company's deferred tax assets at June 30, 2013, December 31, 2012 and for the period March 8, 2011 (Inception) to June 30, 2013.

	June 30, 2013	December 31, 2012	Cumulative Inception to Date
Current:			
Federal	$ 145,000	$ 399,000	$ 627,000
State	26,000	70,000	111,000
Deferred:			
Federal	2,000	-	2,000
State	-	-	-
Subtotal	173,000	469,000	740,000
Valuation allowance	(173,000)	(469,000)	(740,000)
Current deferred tax asset	$ -	$ -	$ -
Net operating loss carryforward	737,000	566,000	740,000
Valuation allowance	(737,000)	(566,000)	(740,000)
Non-current deferred tax asset	$ -	$ -	$ -

Milestone Medical Inc.
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NOTES TO FINANCIAL STATEMENTS

NOTE 5 - PROVISION FOR INCOME TAXES: (Continued)

As of June 30, 2013 and December 31, 2012, the Company has federal net operating loss carryforwards of approximately $1,843,000 and $1,415,000, respectively that will be available to offset future taxable income, if any, through December 2032.

The Company has state net operating losses of approximately $1,843,000 and $1,415,000 as of June 30, 2013 and December 31, 2012, respectively, expiring through December 2016. The utilization of the Company's net operating losses may be subject to a substantial limitation due to the "change of ownership provisions" under Section 382 of the Internal Revenue Code and similar state provisions. Such limitation may result in the expiration of the net operating loss carry forwards before their utilization. Milestone has established a 100% valuation allowance for all of its deferred tax assets due to uncertainty as to their future realization.

At the six months ended June 30, 2013 and year ended December 31, 2012, the deferred tax assets are comprised of the following:

	June 30, 2013	December 31, 2012
Benefit from net operating loss	$ 737,000	$ 566,000
Timing differences for depreciation	2,000	-
Valuation allowance	(739,000)	(566,000)
Total	$ -	$ -

A full valuation allowance has been established against deferred tax assets since there is no assurance that the Company will generate taxable income to utilize some or all of its net loss carryforwards.

Reconciliation between the amount of income tax expense attributable to continuing operations and the amount determined by applying the applicable U.S. statutory income tax rate to pre-tax. There were no significant differences between the Company's effective tax rate and the statutory tax rates in any of the financial periods reported.

A reconciliation of the statutory tax rates for the six months ended June 30, 2013 and year ended December 31, 2012 and March 8, 2011 (Inception) to June 30, 2013 are as follows:

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 - PROVISION FOR INCOME TAXES: (Continued)

	June 30, 2013	December 31, 2012	Cumulative Inception to Date
Statutory rate	(34)%	(34)%	(34)%
State income tax - all states	(6)%	(6)%	(6)%
	(40)%	(40)%	(40)%
Current year valuation allowance	40%	40%	40%
Benefit for income taxes	0%	0%	0%

NOTE 6 - CONCENTRATIONS:

Cash
The Company maintains cash balances in a financial institution. At various times during the period, balances may have exceeded insured limits.

Vendor
The Company sub-contracts its research and development to a vendor which accounted for 99%, 92% and 95% of total expenses incurred for the for six months ended June 30, 2013, year ended December 31, 2012, and from March 8, 2011 (Inception) to June 30, 2013, respectively.

NOTE 7 - SUBSEQUENT EVENTS:

In June 2013, the Company entered an agreement with an agent in Poland, to provide assistance in raising capital in a Private Placement Memorandum (PPM). Such amount, if any, raised in the PPM, are subject to the Company's approval and subsequest listing on the Warsaw stock exchange in Poland. The agreement calls for a service fee payable to the agent if the transaction is consummated. In addition, the Company entered a three year advisory agreement with a firm in Poland for their services provided capital is raised and shares of common stock are listed on the stock exchange.

The Company changed the Certificate of Incorporation to authorized shares of 50,000,000 common shares, par value $0.0001 per share and to authorize 5,000,000 Preferred Shares, (preferred stock) at $0.0001 per share in September 2013. Additionally, the common stock outstanding was split 10,000 to 1 into an aggregate of 20,000,000 shares. All periods have been recasted to reflect these changes.

In July 2013, the Company requested additional total capital contributions of $150,000 from its two joint venture partners. As of August 15, 2013, such funds have been deposited in the Company's cash account.

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6 Appendices

6.1 Restated Certificate of Incorporation of Milestone Medical, Inc.

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:28 PM 09/04/2013
FILED 03:29 PM 09/04/2013
SRV 131053342 - 4950382 FILE

RESTATED CERTIFICATE OF INCORPORATION

OF

MILESTONE MEDICAL INC.

Milestone Medical Inc. (hereinafter called the "corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: The present name of the corporation is Milestone Medical Inc.; the name under which the corporation was originally incorporated is "Milestone Scientific Research And Development, Inc."; and the date of filing the original certificate of incorporation of the corporation with the Secretary of State of the State of Delaware is March 8, 2011.

SECOND: The provisions of the certificate of incorporation of the corporation as heretofore amended and/or supplemented, are hereby restated and integrated into the single instrument which is hereinafter set forth, and which is entitled Restated Certificate of Incorporation of Milestone Medical Inc., without further amendment and without any discrepancy between the provisions of the certificate of incorporation as heretofore amended and supplemented and the provisions of the said single instrument hereinafter set forth.

THIRD: The Board of Directors of the corporation has duly adopted this Restated Certificate of Incorporation pursuant to the provisions of Section 245 of the General Corporation Law of the State of Delaware in the form set forth as follows:

RESTATED CERTIFICATE OF INCORPORATION

OF

MILESSTONE MEDICAL INC.

FIRST: The name of this corporation is Milestone Medical Inc.

SECOND: Its Registered Office in the State of Delaware is to be located at 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent, 19904. The Registered Agent in charge thereof is National Registered Agents, Inc.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares which this corporation shall have authority to issue is 55,000,000 shares, consisting of (i) 50,000,000 shares of common stock, $.0001 par value per share (the "Common Stock") and (ii) 5,000,000 shares of preferred stock, $.0001 par value per share (the "Preferred Stock"). The Board of Directors, in the exercise of its discretion, is authorized to issue the undesignated Preferred Stock in one or more series, to determine the powers, preferences and rights, and qualifications, limitations or restrictions, granted to or imposed upon any wholly unissued series of undesignated Preferred Stock, and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by the stockholders.

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FIFTH: The personal liability of the directors of the corporation is hereby eliminated to the fullest extent permitted by paragraph (7) of subsection (b) of Section 102 of the General Corporation law of the 'state of Delaware, as the same may be amended and supplemented by Section 145 of the General Corporation Law of the State of Delaware, and the corporation shall indemnify all officers, directors and any other persons whom it shall have the power to indemnify under said section from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said section, and the indemnification provided for herein shall not be curtailed under any Bylaw, agreement, note of stockholders or otherwise, both as to the action in his official capacity or other action including any person who has ceased to be a director, officer, employee, or agent and these provisions shall inure to the benefit of the heirs, executors, and administrators of such a person.

****

IN WITNESS WHEREOF, the Corporation has caused this Restated Certificate of Incorporation to be signed as of this 4th day of August 2013.

Milestone Medical Inc.

By: /s/ Leonard Osser
Name: Leonard Osser
Title: Chief Executive Officer

6.2 The Bylaws of Milestone Medical, Inc.

BYLAWS

OF

MILESTONE MEDICAL, Inc.

ARTICLE I

OFFICES

Section 1. ***Principal Office.*** *The principal business office of* ***MILESTONE MEDICAL, INC.*** *(the "Corporation") shall be at such location as the Board shall, from time to time, designate.*

Section 2. ***Other Offices****. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board may from time to time determine or the business of the Corporation may require.*

ARTICLE II
MEETINGS OF SHAREHOLDERS

Section 1. ***Place of Meetings.*** *Meetings of shareholders for all purposes may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.*

Section 2. ***Annual Meeting****. An annual meeting of shareholders, commencing with the year of incorporation, shall be held each year on such date and at such time as shall be designated from time to time by the Board and stated in the notice of the meeting or in a duly executed waiver of notice of such meeting. At such meetings, the shareholders shall elect the members of the Board and transact such other business as may properly be brought before the meeting.*

Section 3. ***List of Shareholders****. At least ten (10) days before each meeting of the shareholders, a complete list of shareholders entitled to vote at said meeting or any adjournment thereof, arranged in alphabetical order with the address of and the number of voting shares held by each, shall be prepared by the officer or agent having charge of the stock transfer books. Such list, for a period of ten (10) days prior to such meeting, shall be kept on file at the location where said meeting is to be held, or at such other place within the city in which said meeting is to be held as shall be specified in the notice of the meeting. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any shareholder who may be present.*

Section 4. ***Special Meetings***. *Special meetings of shareholders, for any purpose or purposes, unless otherwise prescribed by statute, the Certificate of Incorporation of the Corporation (as amended from time to time, the ("Certificate of Incorporation) or these bylaws, may be called by providing notice in the manner prescribed in Section 5 of this Article II by (a) the President, or (b) the President or Secretary at the written request of a majority of the Board which request must state the purpose or purposes of any such meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting.*

Section 5. ***Notice.*** *(a) Written or printed notice stating the place, date and hour of a meeting of shareholders, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by or at the direction of the Chief Executive Officer, the President, the Secretary, or the officer or person calling the meeting, to each shareholder of record entitled to vote at such meeting, by hand, by mail via the United States Postal Service, postage prepaid, by expedited courier, by facsimile, by electronic mail, by telex, by messenger service, or by any other method permitted by the General Corporation Law of the State of Delaware, provided, however, such notice shall not be mailed less than ten (10) days, nor more than (60) days before the date of the meeting, or in the event of a merger or consolidation, not less than twenty-five (25) days, nor more than sixty (60) days before the date of the meeting.*

(b) Notice need not be given to a shareholder if: (1) notice of two consecutive annual meetings and all notices of any meetings held during the period between those annual meetings have been mailed to such shareholder, addressed at such shareholder's address as shown on the records of the Corporation, and have been returned undeliverable; or (2) all (but in no event less than two) payments (if sent by first class mail) of distributions or interest on securities during a 12-month period have been mailed to such shareholder, addressed at such shareholder's address as shown on the records of the Corporation, and have been returned undeliverable. However, if such shareholder delivers by hand, registered or certified mail, return receipt requested, postage prepaid, and addressed to the Corporation a written notice setting forth such shareholder's current address, the notice requirement of this Section 5 shall be reinstated.

Section 6. ***Quorum***. *At each meeting the holders of a majority of the shares issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum of shareholders for the transaction of business except as otherwise provided by statute, the Certificate of Incorporation of the Corporation or these bylaws, but in no event shall a quorum consist of the holders of less than one-third of the shares entitled to vote at such a meeting. If, however, such quorum shall not be present or represented at any meeting of shareholders, the presiding officer of the meeting or the majority of the shareholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting, until a quorum shall be present or represented. Even if a quorum exists, the presiding officer of the meeting, for good cause, or the majority of the shareholders entitled to vote thereat, present in person or represented by proxy, may adjourn the meeting. At such adjourned meeting at*

which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

***Section 7. Voting by Shareholders**. (a) With respect to any matter other than the election of directors or a matter for which the affirmative vote of the holders of a specified portion of the shares entitled to vote is required by the General Corporation Law of the State of Delaware, the affirmative vote of the holders of a majority of the shares entitled to vote on that matter and represented in person or by proxy at a meeting of shareholders at which a quorum is present shall be the act of the shareholders, unless otherwise provided in the Certificate of Incorporation of the Corporation or these bylaws. Every shareholder entitled to vote at any meeting shall be entitled to one vote for each share of stock entitled to vote and held by him of record on the date fixed as the record date for said meeting and may so vote in person or in proxy.*

(b) Unless otherwise provided in the Certificate of Incorporation of the Corporation or these bylaws, directors shall be elected by a plurality of the votes cast by the holders of shares entitled to vote in the election of directors at a meeting of shareholders at which a quorum is present.

(c) (i) For any business (other than the nomination of directors) to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary. To be timely, a shareholder's notice must be received at the principal executive offices of the Corporation not earlier than the close of business on the 90th day and not later than the close of business on the 60th day prior to the first anniversary of the preceding year's annual meeting; provided however, that in the event the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder to be timely must be delivered to or mailed and received at the principal executive offices of the Corporation no later than the close of business on the tenth day following the earlier of (i) the date on which notice of the date of the meeting was mailed and (ii) the date on which public disclosure of the meeting date was made. A shareholder's notice to the secretary must set forth the following information, and must include a representation as to the accuracy of the information: (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and record address of the shareholder proposing such business, (c) the class and number of shares of the Corporation that are directly or indirectly, owned beneficially and/or of record by the shareholder, (d) any option, warrant, convertible, security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not the instrument or right is subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise, each of the foregoing being a derivative instrument, that is directly or indirectly owned beneficially by the shareholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (e) any proxy, contract, arrangement, understanding, or relationship pursuant to which the shareholder has a right to vote or has granted a right to vote any shares of any security of the Corporation,

(f) any short interest in any security of the Corporation, (g) any rights to dividends on the shares of the Corporation owned beneficially by the shareholder that are separated or separable from the underlying shares of the Corporation, (h) any proportionate interest in shares of the Corporation or derivative instruments held, directly or indirectly, by a general or limited partnership or limited liability company or similar entity in which the shareholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, is the manager, managing member or directly or indirectly beneficially owns an interest in the manager or managing member of a limited liability company or similar entity, (i) any performance-related fees (other than an asset-based fee) that the shareholder is entitled to based on any increase or decrease in the value of shares of the Corporation or derivative instruments, if any, (j) any arrangement, rights or other interests described in subsections (c) through (i) above held by members of such shareholder's immediate family sharing the same household, (k) any other information related to the shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitation of proxies for the proposal pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations thereunder, (l) any material interest of the shareholder in such business, (m) a description of any arrangements and understandings between such shareholder and any other person or persons in connection with the proposal of such business by such shareholder, and (n) any other information as reasonably requested by the Corporation.

(ii) Nominations for the election of directors by shareholders must be in writing, and in the form prescribed below, and will be effective when delivered by hand or received by registered first-class mail, postage prepaid, by the Secretary not less than 14 days nor more than 80 days prior to any meeting of the shareholders called for the election of directors; provided, however, that if less than 21 days notice of the meeting is given to shareholders, such writing must be received by the Secretary not later than the close of business on the seventh day following the day on which notice of the meeting was mailed to shareholders. Nominations by shareholders must be in the form of a notice that sets forth (a) as to each nominee (i) the name, age, business address and, if known, residence address of such nominee, (ii) the principal occupation or employment of such nominee, (iii) the information described in clauses (c) through (j) in the preceding paragraph as it relates to the nominee, (iv) the consent of the nominee to serve as a director if so elected, (v) a description of all arrangements or understandings between the shareholder and the nominee, (vi) a description of all arrangements or understandings between the shareholder and any other person or persons pursuant to which the nomination is to be made by the shareholder, and (vii) any other information relating to the nominee required to be disclosed in solicitations of proxies for election of directors, or otherwise required pursuant to Regulation 14A under the Exchange Act, and (b) as to the shareholder giving the notice (i) the name and address, as they appear on the Corporation's books, of such shareholder, (ii) the information described in clauses (c) through (j) in the preceding paragraph, and (iii) and any other information as reasonably requested by the Corporation. Such shareholder notice must include a representation as to the accuracy of the information set forth in the notice. In addition, each nominee must complete and sign a questionnaire, in a form provided by the Corporation, to be submitted with the shareholder's notice, that inquires as to, among other things, the nominee's independence and director eligibility.

(iii) The presiding officer of the meeting of shareholders shall have the power and duty to determine whether a shareholder proposal or nomination, as the case may be, was made in accordance with the terms of this Section 7(c) and, if a shareholder proposal or nomination was not made in accordance with such terms, to declare that such proposal or nomination shall be disregarded.

(iv) Nothing in this Section 7(c) shall prevent the consideration and approval or disapproval at a meeting of shareholders of reports of officers, directors and committees of the Board; but, in connection with such reports, no business shall be acted upon at such meeting unless the procedures set forth in this Section 7 are complied with.

***Section 8. Proxies**. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize another person or persons to act for any such shareholder by proxy. Every proxy must be signed by the shareholder entitled to vote or by his duly authorized attorney-in-fact and shall be valid only if filed with the Secretary of the Corporation or with the Secretary of the meeting prior to the commencement of voting on the matter in regard to which said proxy is to be voted. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise expressly provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest. Unless the proxy by its terms provides for a specific revocation date and except as otherwise provided by statute, revocation of a proxy shall not be effective unless and until such revocation is executed in writing by the shareholder who executed such proxy and the revocation is filed with the Secretary of the Corporation or with the Secretary of the meeting prior to the voting of the proxy.*

***Section 9. Voting Procedure**. Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders, except to the extent that the voting rights of the shares of any class or classes are limited or denied or special voting rights are provided by the Certificate of Incorporation of the Corporation. At any meeting of shareholders, every shareholder having the right to vote shall be entitled to vote in person, by proxy appointed by an instrument in writing subscribed by such shareholder (as set forth in Section 8 of this Article II), or by his duly authorized attorney-in-fact.*

***Section 10. Record Date.** (a) For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive a distribution by the Corporation (other than a distribution involving a purchase or redemption by the Corporation of any of its own shares) or a share dividend, or in order to make a determination of shareholders for any other proper purpose (other than determining shareholders entitled to consent to action by shareholders proposed to be taken without a meeting of shareholders), the Board may provide that the share transfer records shall be closed for a stated period but not to exceed, in any case, sixty (60) days. If the shares transfer records shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of*

shareholders, such records shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the share transfer records, these bylaws or, in the absence of an applicable bylaw, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date in any case to be not more than sixty (60) days and, in the case of a meeting of shareholders, not less than ten (10) days, prior to the date on which the particular action requiring such determination of shareholders is to be taken. If the share transfer records are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive a distribution (other than a distribution involving a purchase or redemption by the Corporation of any of its own shares) or a share dividend, the date one day prior to the date on which notice of the meeting is mailed or the date on which the resolution of the Board declaring such distribution or share dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this subsection, such determination shall apply to any adjournment thereof, except where the determination has been made through the closing of the share transfer records and the stated period of closing has expired.

(b) Unless a record date shall have previously been fixed or determined pursuant to this Section 10, whenever action by shareholders is proposed to be taken by consent in writing without a meeting of shareholders, the Board may fix a record date for the purpose of determining shareholders entitled to consent to that action, which record date shall not precede, and shall not be more than ten (10) days after, the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board and the prior action of the Board is not required by the General Corporation Law of the State of Delaware, the record date for determining shareholders entitled to consent to action in writing without a meeting shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner provided by Section 11(c) of this Article II. If no record date shall have been fixed by the Board and the prior action of the Board is required by the General Corporation Law of the State of Delaware, the record date for determining shareholders entitled to consent to action in writing without a meeting shall be at the close of business on the date on which the Board adopts a resolution taking such prior action.

***Section 11. Telephone Meetings**. Subject to the notice provisions of Section 5 of this Article II and unless otherwise restricted by the Certificate of Incorporation of the Corporation, shareholders may participate in and hold a meeting by means of video or telephone conferencing, or similar communications methods or any other remote communication methods permitted by the General Corporation Law of the State of Delaware, by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at such meeting, except where a person's participation is for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.*

Section 12. Inspectors at Meetings*. In advance of any shareholders' meeting, the Board may appoint one or more inspectors to act at the meeting or at any adjournment thereof and if not so appointed the person presiding at any such meeting may, and at the request of any shareholder entitled to vote thereat shall, appoint one or more inspectors. Each inspector, before entering upon the discharge of his duties as set forth in the General Corporation Law of the State of Delaware, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability.*

Section 13. Conduct of Meeting*. Except as otherwise provided in Section 11 of this Article II, meetings of shareholders shall be presided over by the Chief Executive Officer and/or the President, or if neither the Chief Executive Officer nor the President is present, by a Vice-President, or if none of the Chief Executive Officer, the President or any Vice-President is present, by a Chairman thereby chosen by the shareholders at the meeting. The Secretary of the Corporation, or in his absence, an Assistant Secretary, shall act as secretary of every meeting but if neither the Secretary nor the Assistant Secretary is present, the Chairman of the meeting shall appoint any person present to act as secretary of the meeting.*

ARTICLE III

DIRECTORS

Section 1. Management*. The business and affairs of the Corporation shall be managed under the direction of its Board who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation of the Corporation or by these bylaws directed or required to be exercised or done by shareholders. The Board shall keep regular minutes of its proceedings.*

Section 2. Number; Election*. In accordance with the General Corporation Law of the State of Delaware, the number of directors constituting the whole Board shall not be less than one, nor more than ten, as shall be determined from time to time by resolution of the Board in its sole discretion. As used in these bylaws the phrase "whole Board" shall be deemed to mean the total number of directors that the Corporation would have if there were no vacancies. Directors shall be elected at the annual meeting of shareholders, except as hereinafter provided, and each director elected shall hold office until his successor shall be elected and shall qualify.*

Section 3. Removal and Vacancies*. Any director may be removed with or without cause, at any annual or special meeting of shareholders by the affirmative vote of a majority in number of shares of shareholders present in person or by proxy at such meeting and entitled to vote for the removal of such director, if notice of the intention to act upon such matters shall have been given in the notice calling such meeting. Any vacancy occurring in the Board may be filled by the vote of a majority of the remaining directors, even if such remaining directors comprise less than a quorum of the Board. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office. Any position on the Board to be filled by reason of an increase*

in a number of directors may be filled by the vote of a majority of directors then in office although less than a quorum, election at an annual meeting of shareholders or at a special meeting of shareholders duly called for such purpose, provided that the Board may fill no more than two such vacancies during the period between any two successive annual meetings of shareholders.

***Section 4. Election of Directors**. At every election of directors, each shareholder entitled to vote with respect to such matter shall have the right to vote in person or by proxy the number of voting shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote. Cumulative voting shall be prohibited.*

***Section 5. Place of Meetings**. The directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Delaware.*

***Section 6. First Meetings**. The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of shareholders, and at the same place, unless by unanimous consent of the directors then elected and serving, such time or place shall be changed.*

***Section 7. Regular Meetings**. Regular meetings of the Board shall be held at such time and place as shall from time to time be determined by the Board.*

***Section 8. Special Meetings.** Special meetings of the Board may be called by the Chief Executive Officer or the President on three (3) hours notice delivered to each director, by hand, by facsimile, by telephone, or by electronic mail. Special meetings may be called in like manner and on like notice on the request of any two directors. Except as may be otherwise expressly provided by statute, the Certificate of Incorporation of the Corporation or these bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.*

***Section 9. Quorum**. At all meetings of the Board, the presence of a majority of the whole Board shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute, the Certificate of Incorporation of the Corporation or these bylaws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.*

***Section 10. Action Without Meeting; Telephone Meetings**. Any action required or permitted to be taken at a meeting of the Board or members of any committee designated by the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the whole Board or all the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting subject to*

applicable notice provisions and unless otherwise restricted by the Certificate of Incorporation of the Corporation, members of the Board or members of any committee designated by the Board, as the case may be, may participate in and hold a meeting by means of video or telephone conferencing, or any other remote communication methods permitted by the General Corporation Law of the State of Delaware, by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at such meeting, except where a person's participation is for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

***Section 11. Chairman of the Board**. The Board may elect a Chairman of the Board to preside at their meetings and to perform such other duties as the Board may from time to time assign to him.*

***Section 12. Compensation**. Directors, may receive an annual fee, if any, for their service or a fixed sum, if any for attendance at each regular or special meeting of the Board, plus expense reimbursement as determined by resolution of the Board; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of any committee designated by the Board may, by resolution of the Board, be allowed compensation for attending committee meetings.*

***Section 13. Executive Committee**. The Board may, by resolution adopted by a majority of the whole Board, designate an Executive Committee, to consist of one or more of the directors of the Corporation. The Executive Committee, to the extent provided in said resolution, shall have and may exercise all of the authority of the Board in the management of the business and affairs of the Corporation, except where action of the whole Board is required by statute or by the Certificate of Incorporation of the Corporation, and shall have power to authorize the seal of the Corporation to be affixed to all papers which may require it. The Executive Committee may be terminated, and any member of the Executive Committee may be removed, by the Board, by the affirmative vote of a majority of the whole Board, whenever in its judgment the best interests of the Corporation will be served thereby. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board when required.*

***Section 14. Other Committees**. The Board may, by resolution adopted by a majority of the whole Board, designate from among its members one or more committees, other than an Executive Committee, to the extent provided in such resolution. Any such committee may be terminated by, and any member of any such committee or committees may be removed by the Board, by the affirmative vote of a majority of the whole Board, whenever in its judgment the best interests of the Corporation will be served thereby. Any and all such committees shall keep regular minutes of its proceedings and report the same to the Board when required.*

***Section 15. Resignations**. Any director or any member of any committee of the Board may resign at any time by giving written notice to the Board, the Chief Executive Officer, the President and the Secretary. Any such resignation shall take effect at the time specified therein or,*

if the time is not specified therein, upon the receipt thereof, irrespective of whether any such resignation shall have been accepted.

Section 16. Statutory Notices. *The Board may appoint the Treasurer or any other officer of the Corporation to cause to be prepared and furnished to shareholders entitled thereto any special financial notice and/or statement which may be required by the General Corporation Law of the State of Delaware or by any other applicable statute.*

ARTICLE IV

NOTICES

Section 1. Method*. Whenever by statute, the Certificate of Incorporation of the Corporation, or these bylaws, notice is required to be given to any director or shareholder, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal service, but any such notice may be given in writing, delivered by hand or registered or certified mail, return receipt requested, postage prepaid, addressed to such director or shareholder at such address as appears on the books of the Corporation or in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mail as aforesaid.*

Section 2. Waiver*. Whenever any notice is required to be given to any shareholder or director of the Corporation by statute, the Certificate of Incorporation of the Corporation, or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice. Attendance of a shareholder or director at a meeting shall constitute a waiver of notice of such meeting, except where a shareholder or director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Consent in writing by a shareholder or director to any action taken or resolution adopted by shareholders or directors of the Corporation shall constitute a waiver of any and all notices required to be given in connection with such action or resolution.*

ARTICLE V

OFFICERS

Section 1. Officers*. The initial officers of the Corporation may be elected by the Incorporator. Thereafter the Board may elect or appoint a Chairman, Chief Executive Officer, President, one or more Vice-Presidents, a Secretary and a Treasurer, and such other officers as it may determine, or as may be provided in these bylaws. Any two or more offices may be held by the same person.*

Section 2. ***Election****. The Board at its initial meeting and at its first meeting after each annual meeting of shareholders shall choose a Chief Executive Officer, President, Treasurer and a Secretary, none of whom need be a member of the Board, a shareholder or a resident of the State of Delaware. The Board may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.*

Section 3. ***Compensation****. The compensation of all officers and agents of the Corporation shall be fixed by the Board.*

Section 4. ***Removal and Vacancies****. Each officer of the Corporation shall hold office until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer may be removed with or without cause by a majority of the members of the Board present at a meeting of the Board at which a quorum is represented, whenever in the judgment of the Board the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office becomes vacant for any reason, the vacancy may be filled by the Board.*

Section 5. ***Chairman****. The Chairman shall preside at all meetings of the shareholders and the Board.*

Section 6. ***Chief Executive Officer****. The Chief Executive Officer, if any, shall be the most senior officer of the corporation and shall have all the duties and powers of a President and Chief Executive Officer. The Chief Executive Officer shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him or her by these bylaws or by the Board.*

Section 7. ***President****. The President shall also be the Chief Executive Officer if the position of Chief Executive Officer is vacant. Subject to the control of the Board, the President shall have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these bylaws, the Board, the Chief Executive Officer or the President. In the absence of the Chairman the President shall preside at all meetings of the shareholders and the Board. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him or her by these bylaws or by the Board.*

Section 8. ***Vice President****. Each Vice President, if any, shall have only such powers and perform only such duties as the Board may from time to time prescribe or as the President may from time to time delegate to such Vice President.*

***Section 9. Secretary**. The Secretary shall attend all sessions of the Board and all meetings of shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the Executive Committee when required. The Secretary shall give, or cause to be given, notice of all meetings of shareholders and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or President, under whose supervision the Secretary shall be. The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by the Secretary's signature or by the signature of the Treasurer or an Assistant Secretary.*

***Section 10. Assistant Secretaries**. Each Assistant Secretary, if any, shall have only such powers and perform only such duties as the Board may from time to time prescribe or as the President may from time to time delegate.*

***Section 11. Chief Financial Officer**. Chief Financial Officer, if any, shall have all the duties and powers of the Treasurer including, the responsibilities and authority pertaining to all financial, accounting and budgetary affairs of the Corporation and such other powers as from time to time may be assigned to him or her by these bylaws or by the Board. The Chief Financial Officer shall perform all other necessary acts and duties in connection with the administration of the financial affairs of the Corporation and shall generally perform all the duties usually appertaining to the office of Chief Financial Officer of a corporation. In addition, the Chief Financial Officer shall have active control of, and shall be responsible for, all matters pertaining to the accounts of the Corporation. The Chief Financial Officer shall: supervise the auditing of all payrolls and vouchers of the Corporation and shall direct the manner of certifying the same; supervise the manner of keeping all vouchers for payments by the Corporation and all other documents relating to such payments; receive, audit and consolidate all operating and financial statements of the Corporation, its various departments, divisions and subsidiaries, if any; supervise the books of account of the Corporation, their arrangement and classification; and supervise the accounting and auditing practices of the Corporation and its subsidiaries, if any. In the absence of the Chief Financial Officer, the Treasurer, the Assistant Treasurer or, if there shall be more than one, the Assistant Treasurers in the order determined by the Board of directors, or if there be no Assistant Treasurer or if such Assistant Treasurer is not available, such person as shall be designated by the President shall perform the duties and exercise the powers of the Chief Financial Officer and shall perform such other duties and have such other powers as the Board of directors may from time to time prescribe.*

***Section 12. Treasurer**. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all transactions as Treasurer and of the*

financial condition of the Corporation, and shall perform such other duties as the Board may prescribe. If required by the Board, the Treasurer shall give the Corporation a bond in such form in such sum, and with surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of such office and for the restoration to the Corporation, in case of the Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

***Section 13. Assistant Treasurers**. Each Assistant Treasurer, if any, shall have only such powers and perform only such duties as the Board may from time to time prescribe.*

***Section 14. Resignations**. Any officer of the Corporation may resign at any time by giving written notice to the Board, the Chief Executive Officer, the President and the Secretary. Any such resignation shall take effect at the time specified therein or, if the time is not specified therein, upon the receipt thereof, irrespective of whether any such resignation shall have been accepted.*

ARTICLE VI

CERTIFICATES REPRESENTING SHARES

***Section 1. Certificates**. Certificates in such form as may be determined by the Board shall be delivered representing all shares to which shareholders are entitled. Such certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. Each certificate shall state on the face thereof the holder's name, the number and class of shares, and the par value of such shares or a statement that such shares are without par value. They shall be signed by the Chief Executive Officer or the President and the Secretary or an Assistant Secretary and may be sealed with the seal of the Corporation or a facsimile thereof. The signature of any such officer may be a facsimile.*

***Section 2. Lost Certificates**. The Board may direct a new certificate representing shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate, the Board, in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate, or the owner's legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such form, in such sum, and with such surety or sureties as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.*

***Section 3. Transfer of Shares**. Shares of stock shall be transferable only on the books of the Corporation by the holder thereof in person or by the holder's duly authorized attorney. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate representing shares duly endorsed or accompanied by proper evidence of succession, assignment or*

authority to transfer, it shall be the duty of the Corporation or the transfer agent of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

***Section 4. Registered Shareholders**. Unless otherwise provided in the General Corporation Law of the State of Delaware (a) the Corporation may regard the person in whose name any shares issued by the Corporation are registered in the share transfer records of the Corporation at any particular time (including, without limitation, as of a record date fixed pursuant to these bylaws) as the owner of those shares at that time for purposes of voting those shares, receiving distributions thereon or notices in respect thereof, transferring those shares, exercising rights of dissent with respect to those shares, exercising or waiving any preemptive right with respect to those shares, entering into agreements with respect to those shares, or giving proxies with respect to those shares; and (b) neither the Corporation nor any of its officers, directors, employees, or agents shall be liable for regarding that person as the owner of those shares at that time for those purposes, regardless of whether that person does not possess a certificate for those shares.*

ARTICLE VII

GENERAL PROVISIONS

***Section 1. Distributions and Share Dividends**. Distributions and share dividends, subject to the provisions of the Certificate of Incorporation of the Corporation, if any, may be authorized by the Board at any regular or special meeting. Distributions may be paid in cash or in property, and may be in the form of a dividend on the outstanding shares of the Corporation, a purchase or redemption by the Corporation of any of its own shares, or a payment in liquidation of all or a portion of the assets of the Corporation. Share dividends shall be paid in authorized but unissued shares of the Corporation or in treasury shares subject to the provisions of the General Corporation Law of the State of Delaware and the Certificate of Incorporation of the Corporation. The Board may fix a record date in the manner provided in Article II of these bylaws for the purpose of determining shareholders entitled to receive a distribution (other than a distribution involving a purchase or redemption by the Corporation of any of its own shares) or share dividend.*

***Section 2. Reserves.** There may be created by resolution of the Board out of the surplus of the Corporation such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies, or to equalize distributions, or to repair or maintain any property of the Corporation, or for such other purposes as the directors shall think beneficial to the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.*

***Section 3. Checks**. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.*

Section 4. ***Fiscal Year****. The fiscal year of the Corporation shall end each year on December 31.*

Section 5. ***Seal****. The corporate seal shall have inscribed thereon the name of the Corporation. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.*

Section 6. ***Indemnification****. The Corporation shall indemnify every director and officer who was or is made a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact such person is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the General Corporation Law of the State of Delaware against all expense, liability and loss (including attorneys' fees, judgments, fines or penalties and amounts paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to such person who has ceased to be a director or officer and shall inure to the benefit of the person's heirs, executors and administrators. The right to indemnification described in the immediately preceding sentence includes the right to be paid by the Corporation the expenses incurred in defending any action, suit, or proceeding in advance of its final disposition, subject to the receipt by the Corporation of an undertaking by or on behalf of such person to repay all amounts so advanced if it shall ultimately be determined that such person is not entitled to be indemnified.*

Section 7. ***Amendments****. Except as provided herein, these bylaws may be amended or repealed or new bylaws may be adopted by the shareholders of the Corporation or by the Board.*

Section 8. ***Books And Records****. There shall be maintained at the principal office of the Corporation books of account of all the Corporation's business and transactions. There shall be maintained at the principal office of the Corporation or at the office of the Corporation's transfer agent a record containing the names and addresses of all shareholders, the number and class of shares held by such and the dates when they respectively became the owners of record thereof.*

6.3 Opinion(s) of the auditor(s) from an audit of the value of non-cash contributions made within the last 2 financial years to pay for the share capital of the Issuer or its legal predecessor, unless no audit of the value of such contributions was required under the applicable regulations

According to US general market practice, the auditing firm uses the work of the valuation specialist as part of their requirement to obtain sufficient competent audit evidence to provide

reasonable assurance that the stated fair values conform to Generally Accepted Accounting Principles or "GAAP". For this reason, below the Issuer presents the opinion of non-cash contribution made by Milestone Scientific as a consideration for a license of its technology and patents to the Issuer to be used by the Issuer in the fields of epidural injections and intra-articular injections. The opinion was expressed by Tinari Economics Group, an independent valuation company, which certified that whole valuation and analysis was completed in accordance with the National Association of Certified Valuators and Analysts Professional Standards.

Purpose of Valuation

Tinari Economics Group (TEG) was retained by Milestone Scientific, Inc. (Company), to value Milestone Medical Inc. (JV), a joint venture between Beijing 3H Scientific Technology Co., Ltd. (Partner) and the Company. Background facts regarding the JV, its history, products, technology, patents, financial forecasts and shareholders were provided in a packet of documents pursuant to this matter. Additional information was received subsequent to the initial communication. The documents received have been relied upon without independent verification. Facts from these sources as well as additional information gathered from published documents are fully referenced at the point of use in this report.

The purpose of this report, is to provide an Opinion of Value[1] for the JV. This report is intended for the aforementioned, single purpose only, as of the valuation date, herein defined.

[1] *Conclusion of Value: "Conclusions of Value include two recognized levels, 'Opinion of Value' or 'Estimated Value'. An Opinion of Value is intended to be the most unambiguous expression of value and, therefore, can only be expressed as a single value. An Estimate of Value may be stated when, in the sole professional judgment of the Valuation Analyst, an Opinion of Value cannot be stated. An Estimate of Value may be stated as a range of value. [SOURCE: National Association of Certified Valuators and Analysts (NACVA), NACVA Professional Standards - FAQ, www.nacva.com/associations/pro_faq.asp.]*

Tinari Economics Group

Limiting Conditions

Our determination of the Opinion of Value of the JV is expressly subject to and limited by the following assumptions and conditions:

1. Our report is based on historical and projected financial information provided to us by the Company. The financial information has been accepted as correct without further verification. If significant additional information should come to light, the final value described in this report could be different, and that difference could be material. We take no responsibility for the underlying data presented in this report.
2. Users of this valuation report should be aware that valuations are based on future earnings potential that may or may not materialize. Therefore, the actual sales results achieved in the future may vary from the amounts used in this valuation, and the variation may be material.
3. All related facts, comments and statistical information set forth in the report have been obtained from sources believed to be knowledgeable, reliable and accurate.
4. This report and/or any or all of the information contained in this report is confidential. It has been prepared only for the purposes stated and shall not be used for any other purpose. Neither this report nor any portions thereof shall be disseminated to third parties without prior written consent of Tinari Economics Group (TEG).
5. We have assumed that the JV had unimpaired, valid, and unencumbered legal ownership of all assets disclosed. We have assumed that title to the assets held is marketable.
6. We have assumed that neither the Company nor its shareholders have entered into any negotiations to sell any assets or equity of the JV, as of valuation date.
7. We have assumed there are no undisclosed liabilities and that all parties with whom the Company has conducted or will conduct business will meet their written or oral obligations.
8. The valuation contemplates facts and conditions existing as of the valuation date. Known events and conditions occurring after that date have been presented for information purposes only but have not been relied upon in estimating the valuation of the JV. We have no obligations to update our report for such events and conditions.

Tinari Economics Group

Opinion of Value

Within a reasonable degree of economic and financial certainty, and based on the facts and forecasts provided to us and the analysis presented in this report, it is our professional opinion that the Opinion of Value for all of the common shares of the JV is

TWO MILLION,
NINE HUNDRED - NINETY THOUSAND,
NINE HUNDRED - SEVEN DOLLARS

[$2,990,907]

This Opinion of Value is predicated on monetary and non-monetary assets. The monetary assets, contributed by the Partner, as of the Valuation Date were $1,500,000. The difference between the Opinion of Value and the monetary assets, $1,490,907, is attributed to the non-monetary assets contributed by the Company.

Tinari Economics Group

6.4 Definitions and abbreviations

Table 17 Definitions and abbreviations

510(k) application	The application of the Food, Drug and Cosmetic Act, which is requires device manufacturers who must register, to notify FDA of their intend to market a medical device at least 90 days in advance
Act on Public Offering	Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Dz.U.2005.184.1539, as amended)
Act on Trading in Financial Instruments	Act of 29 July 2005 on Trading in Financial Instruments (Dz.U.2005.183.1538, as amended)
Alternative System Organizer	Warsaw Stock Exchange
ATS, NewConnect market	Alternative Trading System – unregulated alternative trading system organized by the WSE, on the basis of article 3.2 of the Polish Act on Trading in Financial Instruments of 29 July 2005
ATS Rules	Alternative Trading System Rules, with Exhibits, adopted in Resolution No. 147/2007 of the WSE Management Board dated 1 March 2007 (as amended), including amendments adopted by: - Resolution No. 1335/2012 of the WSE Management Board dated 20 December 2012; - Resolution No. 175/2013 of the WSE Management Board dated 13 February 2013; - Resolution No. 334/2013 of the WSE Management Board dated 28 March 2013; - Resolution No. 451/2013 of the WSE Management Board dated 29 April 2013
Blue Sky Law	A state law in the United States that regulates the offering and sale of securities to protect the public from fraud
C-CLAD	Computer-Controlled Local Anesthetic Delivery
CEO	Chief Executive Officer, the highest-ranking corporate officer (executive) or administrator in charge of total management of organization
CFO	Chief Financial Officer, a corporate officer primarily responsible for managing the financial risks of the corporation
CIT Act	Act of 15 February 1992 regarding corporate income tax (Dz.U.1992.21.86, as amended)
Double Tax Treaty	Convention of 8 October 1974 between the Government of the United States of America and the Government of the Polish People's Republic for the Avoidance of Double Taxation and the Prevention of Fiscal

	Evasion with respect to Taxes on Income (Dz.U.1976.31.178)
FDA	U.S. Food and Drug Administration - is responsible for protecting the public health by assuring the safety, efficacy and security of human and veterinary drugs, biological products, medical devices, nation's food supply, cosmetics, and products that emit radiation
FSA	Financial Supervisory Authority – in Poland Komisja Nadzoru Finansowego
GCLSD	General Corporation Law of the State of Delaware
GMP, good manufacturing practice	Production and testing practice that helps to ensure a quality of the product
Information Document	Present document contains detailed information about legal and financial situation of the Issuer prepared for the purposes of introducing 2,000,000 shares of the Issuer's common stock
Intra-articular injection	A joint injection, a procedure used in treatment of inflammatory joint conditions. A hypodermic needle is injected into the affected joint where it delivers a dose of any one of many anti-inflammatory agents
KDPW, NDS	Polish National Depository for Securities - Krajowy Depozyt Papierów Wartościowych Spółka Akcyjna z siedzibą w Warszawie
M.D.	Doctor of Medicine
MDR	Medical Device Reporting regulation contains mandatory requirements for manufacturers, importers and user facilities to report significant medical device adverse events to the FDA. FDA uses this information to identify and respond to problems associated with medical devices
Ph.D.	Doctor of Philosophy
PIT Act	Act of 26 July 1991 regarding personal income tax (Dz.U.1991.80.350, as amended)
PLN	Polish zloty
Polish Tax Ordinance	Act of 29 August 1997 Tax ordinance (Dz.U. 1997.09.26, as amended)
QSR	Quality Instrument Regulation
R&D	Research and Development
Regulation S	Establishes criteria pursuant to which certain companies are permitted to conduct their initial public offerings outside the USA without registration under the US Securities Act
SEC	U.S. Securities and Exchange Commission, a federal agency that holds primary responsibility for enforcing the federal securities laws and regulating the securities industry, the nation's stock and options exchanges, and other electronic securities markets in the USA
Securities Act of 1933	The first major federal legislation to regulate the offer and sale of securities in the USA
SG&A	Sales, General and Administrative

The Company, The Issuer	Milestone Medical Inc. (earlier: Milestone Scientific Research and Development, Inc.) with principal executive offices located at 220 South Avenue Livingston, NJ 07039, USA
USD, $	American dollar, currency effective on the territory of United States of America
WSE	Warsaw Stock Exchange

Source: The Issuer