

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 10, 2017

MILESTONE SCIENTIFIC INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-26284
(Commission
File Number)

13-3545623
(IRS Employer
Identification No.)

220 South Orange Avenue, Livingston Corporate Park, Livingston, New Jersey 07034
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code (973) 535-2717

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Appointment of Certain Officers; and Compensatory Arrangements of Certain Officers.

(b) Effective July 10, 2017 (the “Effective Date”), immediately upon the appointment of Daniel S. Goldberger as President and Chief Executive Officer of Milestone Scientific Inc. (“Milestone Scientific”), Leonard Osser resigned from his position as Chief Executive Officer of Milestone Scientific to become its Managing Director – China Operations. In connection with the foregoing, Milestone Scientific entered into a new employment agreement with Mr. Osser, which supersedes all prior employment agreements between Mr. Osser and Milestone Scientific. A copy of the new employment agreement with Mr. Osser is attached as Exhibit 10.1 to this Current Report on Form 8-K.

(c) On the Effective Date, Milestone Scientific’s Board of Directors (the “Board”) appointed Mr. Goldberger as President and Chief Executive Officer of Milestone Scientific.

Mr. Goldberger has not had any direct or indirect interest in any transactions with Milestone Scientific that requires disclosure under Item 404(a) of Regulation S-K.

There is no existing family relationship between Mr. Goldberger and any director or executive officer of Milestone Scientific.

BIOGRAPHICAL INFORMATION REGARDING THE INCOMING DIRECTOR

The principal occupation and brief summary of Mr. Goldberger’s background is as follows:

Daniel S. Goldberger, age 58, joined Milestone Scientific on July 10, 2017 as its President and Chief Executive Officer. Prior to joining Milestone Scientific, from August 2013 to January 2017, Mr. Goldberger was Chief Executive Officer and a director of Xtant Medical Holdings, Inc. (NYSE MKT: XTNT), a developer and manufacturer of regenerative orthopedic products and fixation devices. From April 2007 through August 2013, he was Chief Executive Officer and a director of Sound Surgical Technologies LLC. Mr. Goldberger has more than 26 years of experience as a leader of both publicly traded and privately held medical technology companies, with a proven track record of building revenue and profits through the introduction of market changing product innovations. Previously, he was President, Chief Executive Officer and a director of Xcorporeal, Inc., an innovator in portable dialysis and Glucon (private) a developer of glucose measurement technology and several other successful enterprises. Mr. Goldberger is a named inventor on more than 60 U.S. patents. He holds a B.S. in Mechanical Engineering from the Massachusetts Institute of Technology and a M.S. in Mechanical Engineering from Stanford University.

(e) On the Effective Date, Milestone Scientific entered into a three-year employment agreement (the “CEO Agreement”) with Mr. Goldberger to serve as President and Chief Executive Officer of Milestone Scientific. Under the CEO Agreement, Mr. Goldberger will receive base compensation of \$300,000 per annum and may additionally earn annual bonuses of up to an aggregate of \$400,000, payable one half in cash and one half in Milestone Scientific common stock, \$.001 par value per share (“Common Stock”), contingent upon achieving performance benchmarks periodically set for each year by the compensation committee of the Board. In addition to any such shares of Common Stock (the “Bonus Shares”), Mr. Goldberger shall be entitled to receive stock options to acquire twice the number of Bonus Shares earned pursuant to a non-qualified stock option grant agreement under Milestone Scientific’s then existing equity compensation plan (the “Bonus Options”). The Bonus Options shall have a five-year term and shall vest in equal annual installments on each of the first, second and third anniversary of the grant date, subject to continued employment on such vesting date and accelerated vesting upon the occurrence of certain events. The exercise price of the Bonus Options shall be the fair market value of a share of Common Stock, on the date of grant (or 110% of such value if at the time of grant Mr. Goldberger beneficially own ten (10%) or more of the Common Stock).

In addition, on the Effective Date, Milestone Scientific granted to Mr. Goldberger non-qualified stock options under the Milestone Scientific 2011 Equity Compensation Plan (the "Plan") to purchase 921,942 shares of Common Stock at an exercise price of \$2.00 per share. Such options shall have a five-year term and shall vest in equal annual installments on each of the first, second and third anniversary of the Effective Date, subject to continued employment on such vesting date and accelerated vesting upon the occurrence of certain events. All other terms and provision of the grant shall be governed by the Plan and Milestone Scientific's standard form of stock option agreement.

The foregoing description of the CEO Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the CEO Agreement filed as Exhibit 10.2 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	New Employment Agreement between Milestone Scientific Inc. and Leonard Osser dated as of July 10, 2017.
10.2	Employment Agreement between Milestone Scientific Inc. and Daniel Goldberger dated as of July 10, 2017.
10.3	Covenant Agreement between Milestone Scientific Inc. and Daniel Goldberger dated and effective as of July 10, 2017.
99.1	Press release dated July 11, 2017.

* * * * *

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 11, 2017

MILESTONE SCIENTIFIC INC.

By: /s/ Joseph D'Agostino

Joseph D'Agostino
Chief Financial Officer

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this “**Agreement**”) dated as of July 10, 2017 between **LEONARD OSSER** (the “**Executive**”) and **MILESTONE SCIENTIFIC INC.** (the “**Company**”).

WHEREAS, the Executive is currently the Chief Executive Officer of the Company; and

WHEREAS, the Board of Directors of the Company (the “**Board**”) desires to provide for a succession plan upon the Executive stepping down as the Company’s Chief Executive Officer; and

WHEREAS, since the Executive possesses unique knowledge and information with respect to the Company’s technology, business and operations, including its vendors, suppliers and affiliates, the Company desires to insure that it retains the uninterrupted service of the Executive; and

WHEREAS, in furtherance of the foregoing, upon the Executive stepping down as the Company’s Chief Executive Officer subject to the terms and conditions set forth below, the Company desires to employ the Executive as Managing Director – China Operations, and the Executive desires to be employed in such capacities to provide the services delineated herein; and

WHEREAS, the Company and the Executive wish to provide for the terms and conditions of that employment of the Executive by the Company and to consolidate in one agreement provisions of the Employment Agreement dated January 1, 2008 and the amendment thereto dated March 6, 2013 (collectively the “**2008 Agreement**”).

NOW, THEREFORE, in consideration of the premises and covenants herein contained, the parties hereto agree as follows:

1. Employment Term, Termination of 2008 Agreement, etc.

(a) Subject to the terms and conditions hereof, the Company employs the Executive and the Executive accepts such employment for the period commencing upon the date (the “**Effective Date**”) that the Executive ceases to be the Chief Executive Officer of the Company under the Employment Agreement dated September 1, 2009 Agreement (as amended, the “**2009 Agreement**”) and continuing for a term of 120-months (the “**Employment Term**”) ending on the 10th anniversary of such commencement date (the “**Termination Date**”), unless the Employment Term is terminated as provided in Section 6”.

(b) On the Effective Date, the 2008 Agreement and the 2009 Agreement and all other agreements relating to the Executive's employment with the Company shall terminate and be of no further force and effect.

(c) Notwithstanding the termination of the agreements referred to in Section 1(b) above, the Executive shall be entitled at the expiration of the Employment Term for any reason to all compensatory and other benefits (including shares of Company stock) earned by him under (A) the 2008 Agreement prior to the Termination Date, (B) the 2009 Agreement prior to the Termination Date, and (C) any other contract, plan or agreement providing for the payment of benefits or compensation upon, following or in connection with a termination of the Executive's employment; provided, however, that if the Executive is a "specified employee" of the Company within the meaning of Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the "**Code**") (or any successor provision), no payment under this Section 1(c) in connection with the Executive's termination of employment (other than a payment of salary through the date of such termination, and payments on account of termination of employment by reason of death) shall be made until the date which is six (6) months after the date of the termination of the employment of the Executive (or, if earlier, the date of death of the Executive); provided further, if the Company determines based upon written advice of counsel that any such payment if made during the calendar year that includes the termination date would not be deductible in whole or in part by reason of Code § 162(m), such payment shall be made on January 2 of the following calendar year (or such later date as may be required under the preceding proviso if the Executive is a "specified employee").

2 . Duties and Responsibilities. During the Employment Term, the Executive shall serve as Managing Director, China Operations of the Company. The Executive shall assist the Company and the Chief Executive Officer of the Company in: (i) the management and oversight of the Company's vendors in China and other key vendors; (ii) arranging for and consummating financing transactions and other strategic initiatives; (iii) the Company's investor relations program; and (iv) such other matters as the Executive and the Chief Executive Officer agree upon from time-to-time. The Executive shall also oversee ongoing patent infringement cases in China, if any. The Executive's duties shall include reasonable and necessary travel related to the foregoing, provided the Executive shall not be required to take more than six (6) international business trips (each no longer than 14 days in duration) per calendar year. The Executive shall report to, and be subject to, the direction of the Board. The Executive shall work on a part time basis and, subject to the limitations set forth above, shall devote such time, energy and attention as is reasonably necessary to the business of the Company.

3. Compensation. In payment for services to be rendered by the Executive hereunder, the Executive shall be entitled to annual basic compensation described below, less any withholding required by law.

(a) Compensation shall be \$300,000 per annum, consisting of \$100,000 in cash payable in accordance with the Company's usual executive compensation arrangements and \$200,000 in the Company's common stock valued at the average closing price of the Company's common stock on the NYSE or such other market or exchange on which its shares are then traded during the first fifteen (15) trading days of the last full calendar month of each year during the Employment Term. Compensation shall be pro-rated for any partial calendar year during the Employment Term. The share portion of the Executive's compensation, together with any shares issuable to the Executive under the termination of any prior employment agreement between the Executive and the Company, shall be issued to the Executive following the end of the Employment Term and in accordance with the requirements of Code §409A. The Executive acknowledges that the shares issuable under this Section 3(a) will be acquired by him for investment purposes only and not with a view towards the distribution thereof and will not be sold or otherwise disposed of in violation of the Securities Act of 1933 as amended and the rules and regulations promulgated thereunder.

(b) If the Company terminates the Executive's employment hereunder without Cause, other than due to the Executive's death or Disability, or if the Executive terminates his employment for "Good Reason" (both as defined below), the Executive shall be paid in one lump sum payment as soon as practicable following such termination: an amount equal to the aggregate present value (as determined in accordance with Section 280G(d)(4) of the Code) of all compensation pursuant to Section 3 of this Agreement from the effective date of termination hereunder through the remainder of the Employment Term; provided, however, in the event the period from the date of Executive's termination hereunder through the remainder of the Employment Term is less than twelve (12) months, then the Executive shall receive a lump sum payment equal to the sum of the present value (as determined in accordance with Section 280G(d)(4) of the Code) of the current annual salary and the value of all other compensation and other benefits payable to the Executive annualized for a twelve (12) month period. This payment shall be in addition to and shall not be offset or reduced by (i) any other amounts that have been earned or accrued or that have otherwise become payable or will become payable to the Executive or his beneficiaries, but have not been paid by the Company at the time of termination including, without limitation, salary, consulting fees, disability benefits, termination benefits, retirement benefits, life and health insurance benefits or any other compensation or benefit payment that is part of any previous, current or future contract, plan or agreement, and (ii) any indemnification payments that may have accrued but not paid or that may thereafter become payable to the Executive pursuant to the provisions of the Company's Certificate of Incorporation, Bylaws or similar policies, plans or agreements relating to indemnification of directors and officers of the Company under certain circumstances. The Executive shall not be required to mitigate the amount of any payment received pursuant to this paragraph nor shall the amount payable under this paragraph be reduced by any compensation earned by the Executive after the date of his termination of employment.

4. Expenses. During the Employment Term, the Executive shall be entitled to receive prompt reimbursement, but in no event later than thirty (30) days after submission, for all reasonable expenses incurred by him (in accordance with the policies and procedures established from time to time by the Board of Directors of the Company) in performing services hereunder, including, without limitation, six (6) business trips per year to China by business class air transport, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company. All air transportation other than the China travel referenced above shall be subject to advanced written approval by the Company's Chief Executive Officer.

5. Other Benefits. The Executive shall be entitled to the following additional benefits:

(a) Such major medical, and family health coverage benefits and long-term disability group plan coverage generally available to the Company's officers. To the extent the Executive qualifies, the Executive may participate in, or benefit under, any employee benefit plan, arrangement or perquisite made available by the Company to its key executives.

(b) Ordinary and necessary business related expenses as shall be incurred by the Executive in the course of the performance of his duties under this Agreement.

(c) A monthly car allowance in the amount of \$1,200.

(d) The Company shall fund the last installment in the amount of \$203,111 in January 2018 as provided for in the 2009 Agreement, as amended. The obligation set forth in this Section shall survive the termination of this Agreement in all events other than a termination by the Company for Cause or a termination by the Executive other than for Good Reason.

6. Termination. During the Employment Term, the Executive's employment hereunder may be terminated under the following circumstances:

(a) The Company shall have the right to terminate the employment of the Executive under this Agreement for "**Disability**" in the event the Executive suffers an injury, or physical or mental illness or incapacity of such character as to substantially disable him from performing his duties hereunder (which for the purposes of such determination shall not include his ability to undertake travel to China) for a period of more than one hundred eighty (180) consecutive days upon the Company giving at least thirty (30) days written notice of termination; provided, however, that if the Executive is eligible to receive disability payments pursuant to a disability insurance policy or policies paid for by the Company, the Executive shall assign such benefits to the Company for all periods as to which he is receiving payment under this Agreement.

(b) This Agreement shall terminate upon the death of Executive, except that any obligation hereunder to pay compensation or benefits (including shares of Company stock) following the end of the Employment Term shall survive termination of this Agreement in all events.

(c) The Company may terminate this Agreement at any time for “Cause” because of (i) his being convicted of felony criminal charges in the United States or of violating such rules and regulations of the Securities and Exchange Commission as may result in criminal action or material fines against the Company, (ii) Executive’s material breach of any term of this Agreement, or (iii) the willful engaging by the Executive in misconduct which is materially injurious to the Company, monetarily or otherwise; provided, in the case or (ii) or (iii), however, that the Company shall not terminate this Agreement pursuant to this Section 6(c) unless the Company shall first have delivered to the Executive a written notice which specifically identifies such breach or misconduct, specifies reasonable corrective action and the Executive shall not have cured the breach or corrected the misconduct within thirty (30) days after receipt of such notice.

(d) The Executive may terminate his employment for “Good Reason” as provided below if:

(i) he is assigned, without his express written consent, any duties inconsistent with his positions, duties, responsibilities, authority and status with the Company as provided for in this Agreement resulting in a material diminution in his authority, duties or responsibilities, or a change occurs in his reporting responsibilities or titles as provided for in this Agreement; or

(ii) any action is taken by or on behalf of the Company that results in a material negative change in the conditions under which the Executive’s duties are to be performed; or

(iii) his compensation, as provided for in this Agreement, is materially reduced; or

(iv) the Company’s breaches any other material provision of this Agreement.

The Executive shall be deemed to have terminated his employment hereunder for Good Reason if and only if: (A) the Executive provides the Company with written notice, within ninety (90) days of the occurrence of one of the circumstances set forth in this Section 6(d), that he intends to terminate his employment hereunder for Good Reason, (B) if such circumstance is capable of being cured, the Company has failed to cure such circumstance within a period of thirty (30) days from the date of such written notice, and (C) the Executive in fact resigns his employment within ninety (90) days from the date that such circumstance first occurs. For purposes of clarification, the above-listed conditions shall apply separately to each occurrence of Good Reason and failure to adhere to such conditions in the event of Good Reason shall not disqualify the Executive from asserting Good Reason for any subsequent occurrence of Good Reason. For purposes of this Agreement, “Good Reason” shall be interpreted in a manner, and limited to the extent necessary, so that it shall not cause, to the extent possible, adverse tax consequences for either party with respect to Section 409A of the Code and any successor statute, regulation and guidance thereto.

7. Nondisclosure; Noncompetition.

(a) The Executive agrees not to use or disclose, either while in the Company's employ or at any time thereafter, except with the prior written consent of the Board of Directors, any trade secrets, proprietary information, or other information that the Company reasonably considers confidential relating to processes, suppliers (including but not limited to a list or lists of suppliers), customers (including but not limited to a list or lists of customers), compositions, improvements, inventions, operations, processing, marketing, distributing, selling, cost and pricing data, or master files utilized by the Company, not presently generally known to the public, and which is, obtained or acquired by the Executive while in the employ of the Company.

(b) During his employment and for a period of two years thereafter, the Executive shall not, directly or indirectly; (i) in any manner, engage in any business which competes with any business conducted by the Company (including any subsidiary) and will not directly or indirectly own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be employed by or connected in any manner with any corporation, firm or business that is so engaged (provided, however, that nothing herein shall prohibit the Executive from owning not more than three percent (3%) of the outstanding stock of any publicly held corporation), (ii) persuade or attempt to persuade any employee of the Company to leave the employ of the Company or to become employed by any other entity, or (iii) persuade or attempt to persuade any current client or former client with leaving, or to reduce the amount of business it does or intends or anticipates doing with the Company.

(c) During his employment with the Company, and for two years thereafter, the Executive shall not take any action which might divert from the Company any opportunity learned about by him during his employment with the Company (including without limitation during the New Employment Term) which would be within the scope of any of the businesses then engaged in or planned to be engaged in by the Company. The parties acknowledge that currently the Company's business is the delivery of anesthetics and other medicaments through computer controlled systems.

(d) In the event that this Agreement shall be terminated, then notwithstanding such termination, the obligations of the Executive pursuant to this Section 7 of this Agreement shall survive such termination.

8. Successors; Binding Agreement.

(a) The Company shall require any purchaser or purchasers of the Company or any purchaser or purchasers of substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to the Executive, to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such purchase had taken place. As used in this Agreement, "**Company**" shall mean the Company as hereinbefore defined and any successor to its business or assets which executes and delivers the agreement provided for in this Section 8(a) or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement shall be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If any amount is due to the Executive pursuant to this Agreement at or following the time of the Executive's death, any such amount shall be paid in accordance with the terms of this Agreement to the Executive's estate.

9. Amendment; Waiver. No provisions of this Agreement may be modified, supplemented, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or in compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

10. Applicable Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New Jersey without regard to its conflict of laws principles.

11. Severability of Covenants. In the event that any provision of this Agreement, including any sentence, clause or part hereof, shall be deemed contrary to law or invalid or unenforceable in any respect by a court of competent jurisdiction, the remaining provisions shall not be affected, but shall remain in full force and effect and any invalid and enforceable provisions shall be deemed, without further action on the part of the undersigned, modified, amended and limited solely to the extent necessary to render the same valid and enforceable.

12. Remedies.

(a) In the event of a breach or threatened breach of any of the Executive's covenants under Section 7, the Executive acknowledges that the Company will not have an adequate remedy at law. Accordingly, in the event of any such breach or threatened breach, the Company will be entitled to such equitable and injunctive relief as may be available to restrain the Executive from the violation of the provisions thereof.

(b) Nothing herein shall be construed as prohibiting the Company, on the one hand, and the Executive, on the other hand, from pursuing any remedies available at law or in equity for any breach or threatened breach of the provisions of this Agreement by the other party, including the recovery of damages.

13. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other party shall be in writing and shall be deemed to have been duly given when delivered personally or five (5) days after dispatch by registered or certified mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made:

If to the Company

addressed to: Milestone Scientific Inc.
220 South Orange Avenue
Livingston Corporate Park
Livingston, New Jersey 07039
Attn: Chief Financial Officer

with a copy to: Morse, Zelnick, Rose & Lander, LLP
825 Third Avenue, 16th Floor
New York, New York 10022
Attn: Kenneth S. Rose, Esq.

If to the Executive

addressed to: Leonard Osser
32 Camlet Court
Roseland, NJ 07068

or to such other address as the one party shall specify to the other party in writing.

14. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and canceled.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

MILESTONE SCIENTIFIC INC.

By: /s/ Joseph D'Agostino
Joseph D'Agostino,
Chief Operating Officer and
Chief Financial Officer

/s/ Leonard Osser
Leonard Osser

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this “Agreement”) dated as of July 10, 2017 between **DANIEL S. GOLDBERGER** (the “Executive”) and **MILESTONE SCIENTIFIC INC.** (the “Company”).

WHEREAS, the Company desires to employ the Executive as its President and Chief Executive Officer; and

WHEREAS, the Executive desires be employed as the President and Chief Executive Officer of the Company; and

WHEREAS, the parties desire, by this Agreement, to set forth the terms and conditions of the employment relationship between the Company and the Executive.

NOW, THEREFORE, in consideration of the premises and covenants herein contained, the parties hereto agree as follows:

1. Employment Term. Subject to the terms and conditions hereof, the Company hereby employs the Executive and the Executive hereby accepts such employment for the three-year period (the “**Employment Term**”) commencing July 10, 2017 (the “**Effective Date**”) and ending July 10, 2020, unless the Employment Term is extended by mutual written agreement of the parties or terminated pursuant to Section [6] hereof.

2. Duties and Responsibilities; Board Observer.

(a) **Duties and Responsibilities.** During the Employment Term, the Executive shall serve as the Chief Executive Officer of the Company and such other senior executive positions consistent therewith as the Company’s Board of Directors (the “**Board**”) may determine. The Executive shall report to, and be subject to, the direction of the Board with such duties and responsibilities as are commensurate with his title and position. The Executive agrees to devote all his attention and time during normal business hours to the business and affairs of the Company and to use his reasonable best efforts to perform faithfully and efficiently the duties and responsibilities of his positions and to accomplish the goals and objectives of the Company as may be established by the Board. Notwithstanding the foregoing, the Executive may engage in the following activities (and shall be entitled to retain all economic benefits thereof including fees paid in connection therewith) as long as they do not interfere in any respect with the performance of the Executive’s duties and responsibilities hereunder and, with respect to item (i) below, that such activity is pre-approved by the Board: (i) serve on corporate, civic, religious, educational and/or charitable boards or committees, provided that the Executive shall not serve on any board or committee of any corporation or other business which competes with the Company’s business; and (ii) make investments in businesses or enterprises and manage his personal investments; provided that with respect to such activities the Executive shall comply with any business conduct and ethics policy applicable to employees of the Company.

(b) **Board Observer.** During the Employment Term, the Executive shall be invited to attend all meetings of the Board of Directors as a non-voting observer; provided, however, in the sole discretion of the Chairman of the Board, the Executive shall be excused from portions of meeting where matters are addressed that relate to or involve the Executive and, further provided, that the Executive shall not be entitled to attend executive sessions of the Board among the independent members of the Board. In the sole discretion of the Board, at such time as it deems appropriate, the Board may consider the appointment of the Executive to the Board.

3. Compensation.

(a) **Base Compensation.** In payment for services to be rendered by the Executive hereunder, the Executive shall be entitled to base compensation, payable in cash, less any withholding required by law, at the rate of \$300,000 per annum, payable in accordance with the Company's normal payroll policy as in effect from time to time during the Employment Term ("**Base Compensation**").

(b) **Bonus.** For each calendar year during the Employment Term, the Executive shall be entitled to receive \$400,000 in bonus compensation (or a pro rata portion thereof for a partial calendar year of employment) based upon the Company's achievement of performance benchmarks periodically established by the Compensation Committee of the Board in consultation with the Executive (the "**Bonus Compensation**"). Bonus compensation, if any, shall be payable annually in arrears fifty (50%) percent in cash and fifty (50%) percent in shares of the Company's common stock ("**Common Stock**") valued at the average closing price of the Common Stock on the NYSE MKT, or such other market or exchange on which such shares are then traded, during the first fifteen (15) trading days of December of each calendar year during the Employment Term. With respect to any Bonus Compensation earned hereunder that is payable in cash, such cash amount shall be determined and paid on or before March 31 of the following year. With respect to any Bonus Compensation earned hereunder that is payable in shares of Common Stock ("**Bonus Shares**"), in addition to such Bonus Shares, the Executive shall be entitled to receive stock options to acquire twice the number of Bonus Shares earned pursuant to a non-qualified stock option grant agreement under the Company's 2011 Equity Compensation Plan, or such successor plan in effect at such time (the "**Plan**") in the Company's standard form, which shall provide for a five-year term and shall vest in three equal annual installments on each of the first, second and third anniversary of the grant date, subject to continued employment on such vesting date ("**Bonus Options**"). The exercise price of the Bonus Options shall be the fair market value of a share of Common Stock on the date of grant (or 110% of such value if at the time of grant the Executive beneficially own ten (10%) or more of the Common Stock), subject to adjustment as provided for in the Plan. The cash portion of any bonus earned by Executive hereunder in any calendar year during the Employment Term will be paid on or before January 15 of the successive calendar year. Any Bonus Shares earned by Executive hereunder in any calendar year during the Employment Term shall be issued to the Executive, or his estate, if applicable, within fifteen (15) business days after the expiration of the Employment Term.

(c) **Restricted Securities.** The Executive acknowledges that all shares of Common Stock issuable to him hereunder shall be acquired for investment purposes and not for distribution thereof and will not be sold or otherwise disposed of in violation of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(d) **Options.** In addition to the Bonus Options issuable hereunder, if any, on the Effective Date, the Company shall grant to the Executive non-qualified stock options under the Plan to purchase 921,942 shares of Common Stock at price per share equal to the greater of (a) \$2.00, or (b) the fair market value of a share of Common Stock on the Effective Date. Such options shall have a five-year term and shall vest in three equal annual installments on each of the first, second and third anniversary of the Effective Date, subject to continued employment on such vesting date. All other terms and provision of the grant shall be governed by the Plan and the Company's standard form of stock option agreement.

(e) **Section 409A of the Code.** Notwithstanding anything herein to the contrary, if any payment of money or other benefits due to the Executive hereunder could cause the application of an accelerated or additional tax or penalty under Section 409A of the Internal Revenue Code (the "**Code**"), such payment or other benefits will be deferred if deferral will make such payment or other benefits compliant under Section 409A of the Code (for instance, if the Executive is a "specified employee" within the meaning of Section 409A of the Code and the Executive receives a payment or benefit constituting deferred compensation hereunder at or a specified time following a separation from service, such payment or benefit shall not be delivered to the Executive until the earlier of the Executive's death or six months and one day following the Executive's separation from service), or otherwise any such payment or other benefits that would not be in compliance with Section 409A of the Code so as to avoid accelerated or additional taxation or penalties thereunder will be restructured but not reduced, to the extent possible, in a manner, reasonably determined by the Company, that does not cause such an accelerated or additional tax or penalty. This Agreement is intended to comply with Section 409A of the Code and will be interpreted accordingly and will be automatically modified to the extent necessary to so comply. With regard to any payment or benefit that constitutes a deferral of compensation subject to Code Section 409A, references under this Agreement to the Executive's termination of employment shall be deemed to refer to the date upon which the Executive has experienced a "separation from service" within the meaning of Section 409A of the Code. Each payment made under this Agreement constitutes a "separate payment" for purposes of Section 409A of the Code. It is intended that each such separate payment under Paragraph 3(b), to the maximum extent possible, be deemed to constitute a short-term deferral under Treasury Regulation §1.409A-1(b)(4) and, to the extent not excluded as a short-term deferral, to the maximum extent possible and applying this rule to the earliest in time of such payments, be deemed to constitute amounts payable under the "two-years/two-times" exclusion from being a deferral of compensation under Treasury Regulation § 1.409A-1(b)(9)(iii). To the extent any reimbursements or in-kind benefits due to the Executive under this Agreement constitute "deferred compensation" under Section 409A of the Code, any such reimbursement or in-kind benefits shall be paid to the Executive in a manner consistent with Treasury Regulation § 1.409A-3(i)(1)(iv). The foregoing and other provisions of this Agreement notwithstanding, the Executive will be responsible for all taxes (including excise taxes and tax penalties) owed by the Executive relating to the Executive's compensation hereunder or otherwise paid by the Company or any of its affiliates, and the Company and its affiliates shall not and does not indemnify the Executive for any such taxes owed by him.

4. Expenses; Relocation.

(a) **Business Expenses.** During the Employment Term, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him in performing services hereunder, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(b) **Relocation Expenses.** Provided that the Executive remain employed by the Company through the six (6) month anniversary of the Effective Date, the Company will reimburse the Executive, on a non-accountable basis, for \$75,000 of relocation expense. Upon written request by the Executive, the Company shall coordinate the movement of the Executive's personal belongings, at the Company's sole expense, from the Executive's current Colorado residence to New Jersey through a mutually acceptable commercial moving company. Notwithstanding the foregoing, in the event that the Executive's employment with the Company is terminated within the first six months of the Employment Term either, (a) without "Cause", (b) for "Good Reason", or (c) upon the death of the Executive, the foregoing payment shall become immediately due and payable provided, however, that Executive has incurred relocation expense prior to such occurrence.

5. Other Benefits. The Executive shall be entitled to the following additional benefits:

- (a) three weeks of paid vacation during each year of the Employment Term;
- (b) paid holidays and personal days in accordance with the Company's standard policies applicable to its full time employees;

(c) the Executive and his eligible dependents shall have the right to participate in any retirement plans (qualified and non-qualified), pension, insurance, health, disability or other benefit plan or program that has been or is hereafter adopted by the Company (or in which the Company participates), according to the terms of such plan or program, on terms no less favorable than the most favorable terms granted to senior executives of the Company; and

(d) a car allowance in the amount of \$1,200 per month.

6. Termination.

(a) **Disability.** The Company shall have the right to terminate the employment of the Executive under this Agreement for disability in the event the Executive suffers an injury, or physical or mental illness or incapacity of such character as to substantially disable him from performing his duties hereunder for a period of more than one hundred eighty (180) consecutive days upon the Company giving at last thirty (30) days written notice of termination; provided, however, that (i) through the effective date of such termination, the Executive shall be entitled to receipt of his compensation as provided for in the Agreement, and (ii) if the Executive is eligible to receive disability payments pursuant to a disability insurance policy paid for by the Company, the Executive shall assign such benefits to the Company for all periods as to which he is receiving payment under this Agreement.

(b) **Death.** This Agreement shall terminate upon the death of the Executive.

(c) **Cause.** The Company may terminate this Agreement at any time for "Cause" if the Executive: (i) is convicted of criminal charges or violating such rules and regulations of the Securities and Exchange Commission as may result in criminal action or material fines against the Company. (ii) materially breaches any term of this Agreement; or (iii) willfully engages in misconduct that is materially injurious to the Company, monetarily or otherwise; provided, however, in the case or (ii) or (iii) that the Company shall not terminate this Agreement pursuant to this Section 6(c) unless the Company shall first have delivered to the Executive a notice which specifically identifies such breach or misconduct, specifies reasonable corrective action and the Executive shall not have cured the breach or corrected the breach or misconduct within fifteen (15) days after receipt of such notice.

(d) **Good Reason.** The Executive may terminate his employment for "Good Reason" on written notice to the Company setting forth the basis for such termination if the Company shall not have corrected the basis for such Good Reason termination within fifteen (15) days after receipt of such notice. Good Reason shall be deemed to exist if:

- (i) The Executive is assigned, without his express written consent, any duties inconsistent with his positions, duties, responsibilities, authority and status with the Company as of the date of this Agreement, or a change in the Executive's reporting responsibilities or titles as in effect as of the date of this Agreement; or
- (ii) The Executive's compensation is reduced; or
- (iii) Any purchaser or purchasers of substantially all of the business or assets of the Company does not agree, at or prior to the closing of any such transaction, by agreement in form and substance satisfactory to the Executive to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no sale was consummated.

7. Termination Benefits.

(a) Termination For Cause; Disability or Death. In the event of the termination of this Agreement as a result of the Executive's disability pursuant to Section 6(a) of this Agreement, the Executive's death pursuant to Section 6(b) or the Agreement of for Cause pursuant to Section 6(c) of this Agreement, the Executive, or his estate, if applicable, shall be entitled to payment of the Base Compensation pursuant to Section 3(a) of this Agreement and the benefits pursuant to Section 5 of this Agreement up to the effective date of such termination; and it is also the intention and agreement of the Company that Executive shall not be deprived by reason of any such termination of any payments, options or benefits which have been vested or have been earned or to which Executive is entitled as of the effective date of such termination. In addition, upon: (i) the termination of this Agreement as a result of the Executive's disability pursuant to Section 6(a) of this Agreement, the Executive, or his estate, if applicable, shall be paid any portion of a bonus payment under Section 3(b) for the year of termination to the extent that it relates to a performance benchmark that was achieved prior to the date of the Executive's initial disability; and (ii) the termination of this Agreement as a result of the Executive's death pursuant to Section 6(b) or the Agreement, the Executive's estate shall be paid any portion of a bonus payment under Section 3(b) for the year of termination to the extent that it relates to a performance benchmark that was achieved prior to the date of the Executive's death.

(b) Termination Without Cause or For Good Reason. If the Company terminates the Executive's employment hereunder without Cause or if the Executive terminates his employment for Good Reason pursuant to Section 6(d) of this Agreement, the Executive, or his estate, if applicable, shall be paid: (i) his Base Compensation through the termination date; (ii) any portion of a bonus payment under Section 3(b) for the year of termination to the extent that it relates to a performance bonus that was achieved prior to the date of termination; (iii) the payment, in monthly installments in arrears, subject to applicable withholding, equal to:

<u>If the termination occurs:</u>	<u>Payment amount</u>
Within the first two years of the Executive's employment:	an amount equal to twelve (12) months of the Base Compensation.
Within the third full year of the Executive's employment:	an amount equal to the amount of Base Compensation payable for the greater of (i) the remaining term of this Agreement, or (ii) six (6) months.

(iv) any accrued vacation pay; (v) continuation for a period of twelve (12) months after such termination, of the health and welfare benefits for the Executive as in effect at the time of termination (or the Company shall provide the economic equivalent thereof); provided, however, if the Executive obtains new employment and such employment makes the Executive eligible for health and welfare benefits or long-term disability benefits which are equal to or greater in scope than the benefits then being offered by the Company, then the Company shall no longer be required to provide such benefits to the Executive; and (vi) any other compensation and benefits as may be provided for in accordance with the terms and provisions of any applicable plans or programs of the Company. The Executive shall not be required to mitigate the amount of any payment received pursuant to this paragraph nor shall the amount payable under this paragraph be reduced by any compensation earned by the Executive after the date of his termination of employment.

(c) **Accelerated Vesting of Options.** If the Company terminates the Executive's employment hereunder without Cause or if the Executive terminates his employment for Good Reason pursuant to Section 6(d) of this Agreement, then each option previously granted to the Executive pursuant to this Agreement that is outstanding but not yet exercisable shall upon such termination date become fully exercisable and shall otherwise be subject to and governed by the Plan and the Company's standard form of stock option agreement.

8. Representations and Covenants of the Executive.

(a) The Executive represents and warrants that he has the full right and authority to enter into this Agreement and fully perform his obligations hereunder, that he is not subject to any non-competition agreement that limits or restricts his ability to perform the services provided for in this Agreement, and that his past, present and anticipated future activities have not and will not infringe on the proprietary rights of others. The Executive further represents and warrants that he is not obligated under any contract (including, but not limited to, licenses, covenants or commitments of any nature) or other agreement or subject to any judgment, decree or order of any court or administrative agency which would conflict with his obligation to use his best efforts to perform his duties hereunder or which would conflict with the Company's business and operations as presently conducted or proposed to be conducted. Neither the execution nor delivery of this Agreement, nor the carrying on of the Company's business as officer and employee by the Executive will conflict with or result in a breach of the terms, conditions or provisions of or constitute a default under any contract, covenant or instrument to which the Executive is currently a party.

(b) Simultaneous with the execution of this Agreement, the Executive and the Company shall enter into the Covenant Agreement in the form of Exhibit A to this Agreement. The Executive agrees and acknowledges that the execution and delivery of the Covenant Agreement is a material inducement to the Company to enter into this Agreement.

9. Indemnification.

(a) **General.** The Company agrees that if the Executive is made a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that he is or was a director or officer of the Company, is or was serving at the request of the Company as a director, officer, member, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including, without limitation, service with respect to employee benefit plans, whether or not the basis of such Proceeding is alleged action in an official capacity as a director, officer, member, employee or agent while serving as a director, officer, member, employee or agent, the Executive shall be indemnified and held harmless by the Company to the fullest extent authorized by applicable law (in accordance with the certificate of incorporation and/or bylaws of the Company), as the same exists or may hereafter be amended, against all Expenses (as defined below) incurred or suffered by the Executive in connection therewith, and such indemnification shall continue as to the Executive even if the Executive has ceased to be an officer, director or agent, or is no longer employed by the Company and shall inure to the benefit of his heirs, executors and administrators.

(b) **Expenses.** As used in this Section 9, the term "**Expenses**" shall include, without limitation, damages, losses, judgments, liabilities, fines, penalties, excise taxes, settlements and costs, attorneys' fees, accountants' fees, and disbursements and costs of attachment or similar bonds, investigations, and any expenses of establishing a right to indemnification under this Agreement.

(c) Enforcement. If a claim or request under this Agreement is not paid by the Company, or on their behalf, within fifteen days after a written claim or request has been received by the Company, the Executive may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim or request and if successful in whole or in part, the non-prevailing party in any such action shall be entitled to receive the reasonable attorney fees, costs and expenses of prosecuting or defending such suit. The burden of proving that the Executive is not entitled to indemnification for any reason shall be upon the Company.

(d) Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Executive.

(e) Partial Indemnification. If the Executive is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify the Executive for the portion of such Expenses to which the Executive is entitled.

(f) Advances of Expenses. Expenses incurred by the Executive in connection with any Proceeding shall be paid by the Company in advance upon request of the Executive that the Company pay such Expenses.

(g) Notice of Claim. The Executive shall give to the Company notice of any claim made against his for which indemnity will or could be sought under this Agreement. In addition, the Executive shall give the Company such information and cooperation as it may reasonably require and as shall be within the Executive's power and at such times and places as are convenient for the Executive.

(h) Defense of Claim. With respect to any Proceeding as to which the Executive notifies the Company of the commencement thereof: (i) the Company will be entitled to participate therein at its own expense; and (ii) except as otherwise provided below, to the extent that it may wish, the Company jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel reasonably satisfactory to the Executive. The Company shall not be entitled to assume the defense of any action, suit or proceeding brought against, by or on behalf of the Company or as to which the Executive shall have reasonably concluded that there may be a conflict of interest between the Company and the Executive in the conduct of the defense of such action.

The Company shall not be liable to indemnify the Executive under this Agreement for any amounts paid in settlement of any action or claim effected without its written consent. The Company shall not settle any action or claim in any manner which would impose any penalty or limitation on the Executive without Executive's written consent. Neither the Company nor the Executive shall unreasonably withhold or delay their consent to any proposed settlement.

(i) Non-exclusivity. The right to indemnification and the payment of expenses incurred in defending a Proceeding in advance of its final disposition conferred in this Section 9 shall not be exclusive of any other right which the Executive may have or hereafter may acquire under any statute, provision of the certificate of incorporation, by laws, or other governing documents of the Company, agreement, vote of stockholders, members or disinterested directors or otherwise.

(j) Directors and Officers Liability Policy. The Company agrees to use reasonable efforts to maintain directors and officers liability insurance covering the Executive in a reasonable and adequate amount determined by the Board.

10. Miscellaneous.

(a) Integration; Amendment. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters set forth herein and supersedes and renders of no force and effect all prior understandings and agreements between the parties with respect to the matters set forth herein. No amendments or additions to this Agreement shall be binding unless in writing and signed by both parties.

(b) Severability. If any part of this Agreement is contrary to, prohibited by, or deemed invalid under applicable law or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited, or invalid, but the remainder of this Agreement shall not be invalid and shall be given full force and effect so far as possible.

(c) Waivers. The failure or delay of any party at any time to require performance by the other party of any provision of this Agreement, even if known, shall not affect the right of such party to require performance of that provision or to exercise any right, power, or remedy hereunder, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power, or remedy under this Agreement. No notice to or demand on any party in any case shall, of itself, entitle such party to other or further notice or demand in similar or other circumstances.

(d) Power and Authority. The Company represents and warrants to the Executive that it has the requisite corporate power to enter into this Agreement and perform the terms hereof; that the execution, delivery and performance of this Agreement by it has been duly authorized by all appropriate corporate action; and that this Agreement represents the valid and legally binding obligation of the Company and is enforceable against it in accordance with its terms.

(e) Burden and Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, personal and legal representatives, successors and assigns.

(f) Governing Law; Headings. This Agreement and its construction, performance, and enforceability shall be governed by, and construed in accordance with, the laws of the State of New York. Headings and titles herein are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

(g) Arbitration; Remedies. Any dispute or controversy arising under this Agreement or as a result of or in connection with Executive's employment (other than disputes arising under the Covenant Agreement) shall be arbitrated and settled pursuant to the National Rules for the Resolution of Employment Disputes of the American Arbitration Association which are then in effect in a proceeding held in New York, New York. This provision shall also apply to any and all claims that may be brought under any federal or state anti-discrimination or employment statute, rule or regulation, including, but not limited to, claims under: the National Labor Relations Act; Title VII of the Civil Rights Act; Sections 1981 through 1988 of Title 42 of the United States Code; the Employee Retirement Income Security Act; the Immigration Reform and Control Act; the Americans With Disabilities Act; the Age Discrimination in Employment Act; the Fair Labor Standards Act; the Occupational Safety and Health Act; the Family and Medical Leave Act; and the Equal Pay Act. The decision of the arbitrator and award, if any, is final and binding on the parties and the judgment may be entered in any court having jurisdiction thereof. The parties will agree upon an arbitrator from the list of labor arbitrators supplied by the American Arbitration Association. The parties understand and agree, however, that disputes arising under the Covenant his Agreement may be brought in a court of law or equity without submission to arbitration.

(h) Jurisdiction. Except as otherwise provided for herein, each of the parties (a) submits to the exclusive jurisdiction of any state court sitting in New York, New York or federal court sitting in New York County in any action or proceeding arising out of or relating to this Agreement, (b) agrees that all claims in respect of the action or proceeding may be heard and determined in any such court, (c) agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court and (d) waives any right such party may have to a trial by jury with respect to any action or proceeding arising out of or relating to this Agreement. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect thereto. Any party may make service on another party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for giving of notices in Section 10(i). Nothing in this Section, however, shall affect the right of any party to serve legal process in any other manner permitted by law.

(i) Notices. All notices called for under this Agreement shall be in writing and shall be deemed given upon receipt if delivered personally or by confirmed facsimile transmission and followed promptly by mail, or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at their respective addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof) set forth below, or to any other address or addressee as any party entitled to receive notice under this Agreement shall designate, from time to time, to others in the manner provided in this subsection 10(i) for the service of notices.

If to the Company:

addressed to: Milestone Scientific Inc.
220 South Orange Avenue
Livingston Corporate Park
Livingston, New Jersey 07039
Attn.: Chief Financial Officer
Fax: (973) 535-2829

with a copy to: Morse, Zelnick, Rose & Lander, LLP
825 Third Avenue, 16th Floor
New York, New York 10022
Attn.: Kenneth S. Rose, Esq.
Fax: (212) 208-6809

if to the Executive:

addressed to: Mr. Daniel S. Goldberger
644 College Avenue
Boulder, CO 80302
Fax: (303) 885-4865

with a copy to: Ms. Paula Greisen
King & Greisen, LLP
1670 York Street
Denver, CO 80206
Fax: (303) 298-9879

(j) Number of Days. In computing the number of days for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays and holidays; *provided, however,* that if the final day of any time period falls on a Saturday, Sunday or holiday on which federal banks are or may elect to be closed, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or such holiday.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first written above written.

MILESTONE SCIENTIFIC INC.

By: /s/ Joseph D'Agostino
Joseph D'Agostino
Chief Financial Officer

/s/ Daniel S. Goldberger
Daniel S. Goldberger

Covenant Agreement

This Covenant Agreement (the “**Agreement**”), dated and effective as of July 10, 2017, is made by and between Milestone Scientific Inc., a Delaware corporation (together with its successors and affiliates, the “**Company**”) and Daniel Goldberger (the “**Executive**”). This Agreement is entered into pursuant to the Employment Agreement dated July 10, 2017 between the Company and Executive regarding Executive’s employment with the Company (as amended from time to time, the “**Employment Agreement**”). As used herein, the term “**Company**” shall include the Company and its direct and indirect subsidiaries. Other capitalized terms used but not defined in this Agreement have the meanings ascribed to them on Annex 1 attached hereto.

1. Nondisclosure of Proprietary Information.

- (a) Except in connection with the faithful performance of the Executive’s duties under the Employment Agreement and as provided herein, the Executive shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for the Executive’s benefit or the benefit of any person, firm, corporation or other entity any Proprietary Information or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such Proprietary Information. The parties hereby stipulate and agree that as between them the Proprietary Information is important, material and affects the successful conduct of the businesses of the Company (and of any successor or assignee of the Company). The Executive acknowledges and agrees that these steps to maintain the confidentiality of its Proprietary Information are reasonable and that it is reasonable and necessary for the Company to take such steps.
 - (b) Upon termination of the Executive’s employment with the Company for any reason, the Executive will promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, computer disk drives, flash drives, disks, or any other materials consisting of, including or relating to Proprietary Information in his possession.
 - (c) Notwithstanding the foregoing, the Executive may respond to a lawful and valid subpoena or other legal or administrative process but: (i) shall give the Company the earliest practicable notice thereof, (ii) shall, as much in advance of the return date as practicable, make available to the Company and its counsel the documents and other information sought and (iii) shall assist such counsel at the Company’s expense in resisting or otherwise responding to such process.
 - (d) Nothing in this Agreement shall prohibit the Executive from (i) disclosing information and documents when required by law, subpoena, court or administrative order (subject to the requirements of Section 1(c) above), (ii) disclosing information and documents related to his own personal benefits, entitlements and obligations in confidence to his attorney or tax or financial adviser for the purpose of securing legal or tax advice, (iii) disclosing the post-employment restrictions in this Agreement in confidence to any potential new employer, (iv) reporting possible violations of federal law or regulations to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission or making other disclosures that are protected under the whistleblower provisions of federal or state law or regulations or (v) retaining, at any time, his personal correspondence, his personal rolodex and documents related to his own personal benefits, entitlements and obligations.
-

2. **Non-Solicitation; Non-Compete; Non-Disparagement**

- (a) At any time during the term of his employment with the Company (the “**Employment Period**”) and for a period of twenty-four (24) months immediately following the end of the Employment Period, the Executive shall not, directly or indirectly, either for himself or on behalf of any other person, firm, corporation or other entity, (i) recruit or otherwise solicit, encourage or induce any employee, client, customer or investor of any Company Party to terminate such person or entity’s employment or other arrangement with a Company Party, or otherwise to change such person or entity’s relationship with a Company Party, (ii) hire or offer to employ or retain or offer to retain as a consultant or advisor or in any other capacity (or cause or influence any other person or entity to hire or offer to employ or retain or offer to retain as a consultant or advisor or in any other capacity) any person who was employed by the Company in a similar capacity as such person is employed by the Company in a manner which would deprive the Company of the services of such person or (iii) cause or seek to cause any client or customer of, or investor in, any Company Party to become a client or customer of, or investor in, any business or activity that competes with the Business and in which the Executive becomes engaged (directly or indirectly) or otherwise has a financial interest.
- (b) At any time during the Employment Period and for a period of twelve (12) months immediately following the end of the Employment Period, the Executive shall not, directly or indirectly, either for himself or on behalf of any other person, firm, corporation or other entity, shall not, directly or indirectly; (i) in any manner, engage in any business which competes with any business conducted by the Company (including any subsidiary) and will not directly or indirectly own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be employed by or connected in any manner with any corporation, firm or business that is so engaged (provided, however, that nothing herein shall prohibit the Executive from owning not more than three percent (3%) of the outstanding stock of any publicly held corporation).
- (c) The Executive agrees not to make any disparaging remarks about any Company Party, or any of their practices, or any Company Party’s directors, managers, officers, equity holders or trustees either orally or in writing, at any time.

3. **Inventions and Other Works**. During the Employment Period, the Executive may either alone or with others, author, create, conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, or assist in the authoring, creation, conception, development or reduction to practice of documents, materials, designs, drawings, processes, Proprietary Information and other works which relate to the Business or are otherwise capable of being used by a Company Party (“**Works**”). The Executive agrees that any and all Works and the related intellectual property and other rights in those Works including, without limitation, inventions, patents, copyrights, mask works, design rights, database rights, trademarks, service marks, internet rights/domain names, trade secrets and know-how (whether registered or unregistered and including any applications or rights to apply) subsisting anywhere in the world in any and all media now existing or hereafter created (collectively, “**Works IP Rights**”) will belong solely to and be the absolute property of the relevant Company Party. The Executive agrees that all original works of authorship which are made by the Executive (solely or jointly with others) within the scope of and during the period of his employment with the Company and which are protectable by copyright are “works made for hire,” as that term is defined in the United States Copyright Act. The Executive hereby assigns with full title guarantee to the Company (on behalf of the applicable Company Party) by way of present assignment of all Works IP Rights, all intellectual property rights in the Works. The Executive hereby irrevocably and unconditionally waives any moral rights which he may have in any Works. The Executive shall immediately disclose to the Company all Works and all Works IP Rights, and shall immediately on request by the Company (whether during or after the termination of his or her Employment Period) and at the expense of the Company (on behalf of the applicable Company Party) execute all instruments and do all things necessary for vesting in the Company (or such other person as the Company may designate) all right, title and interest to and in the Works and Works IP Rights and as otherwise necessary for giving to the Company (on behalf of the applicable Company Party) the full benefit of this clause. Notwithstanding the foregoing, Works and Works IP Rights does not apply to any invention for which no equipment, supplies, facility, or trade secret information of a Company Party was used and which was developed entirely on the Executive’s own time, unless (a) the invention relates (i) to the Business, or (ii) to the Company Party’s actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the Executive for any Company Party.

4. **Patent and Copyright Registrations.** The Executive agrees to assist any Company Party, or its designee, at the Company's expense (on behalf of the applicable Company Party), in every proper way to secure the Company Party's rights in the inventions and any copyrights, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company Party of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Company Party shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to the Company Party, its successors, assigns, and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. The Executive further agrees that his obligation to execute or cause to be executed, when it is in his power to do so, any such instrument or papers shall continue after the termination of this Agreement. If the Company Party is unable because of mental or physical incapacity or for any other reason to secure such Company Party's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Inventions or original works of authorship assigned to the Company Party as above, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney-in-fact, to act for and in his or her behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations thereon with the same legal force and effect as if executed by the Executive.
5. **Injunctive Relief.** It is recognized and acknowledged by the Executive that a breach of one or more of the covenants contained in Sections 1 and 2 may cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach may be inadequate. Accordingly, the Executive agrees that in the event of a breach or threatened breach of any of the covenants contained in Sections 1 or 2, in addition to any other remedy which may be available at law or in equity, the Company shall be entitled to seek injunctive relief and special performance to prevent or prohibit such breach. The Executive agrees to waive any requirements for the securing or posting of any bond in connection with such remedy.
6. **Tolling** In the event of the breach by the Executive of any covenants contained in Sections 2 the running of the applicable period of restriction shall be automatically tolled and suspended for the amount of time that the breach continues, and shall automatically recommence when the breach is remedied so that the Company shall receive the benefit of the Executive's compliance with such covenants.

8. **Assignment and Successors.** The Company may assign its rights and obligations under this Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its affiliates. This Agreement shall be binding upon and inure to the benefit of parties to this Agreement and their respective heirs, executors, administrators, personal and legal representatives, successors and assigns. None of the Executive's rights or obligations may be assigned or transferred by the Executive, other than the Executive's rights to payments hereunder, which may be transferred only by will or operation of law.
9. **Governing Law.** This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of New York, without reference to the principles of conflicts of law or choice of law of the State of New York or of any other jurisdiction, and where applicable, the laws of the United States.
10. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.
11. **Entire Agreement.** The terms of this Agreement and the Employment Agreement are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and to supersede all prior understandings and agreements, whether written or oral. The parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.
12. **Amendments; Waivers.** This Agreement may not be modified or amended except by an instrument in writing, signed by you and the Chairman of the Board of the Company. By an instrument in writing similarly executed, you or the Company may waive compliance by the other party or parties with any specifically identified provision of this Agreement that such other party was or is obligated to comply with or perform; *provided, however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent breach or failure to comply or perform. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity. Except as otherwise set forth in this Agreement, the respective rights and obligations of the parties under this Agreement shall survive any termination of the Executive's employment by the Company.
13. **Dispute Resolution.** Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively in accordance with the provisions of Section 5 of this Agreement and Section 6 of the Employment Agreement.
14. **Enforcement** If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to exceed the limitations permitted by applicable law, as determined by such court in such action, then the provisions will be deemed reformed to the maximum limitations permitted by applicable law and the parties hereby expressly acknowledge their desire that in such event such action be taken. If any provision of this Agreement is held to be illegal, invalid or unenforceable during the term of this Agreement after application of the first sentence of this Section 14, then such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

IN WITNESS WHEREOF, the parties have executed this Covenant Agreement on the date and year first above written.

The Company:

MILESTONE SCIENTIFIC INC.

By: /s/ Joseph D'Agostino

Joseph D'Agostino,
Chief Financial Officer

The Executive:

/s/ Daniel S. Goldberger

Daniel S. Goldberger

ANNEX 1

Defined Terms

“Business” means all commercial activities of the Company.

“Company Party” means the Company and the Company’s clients.

“Proprietary Information” means and includes any confidential or proprietary information, trade secrets or intellectual property of or relating to any Company Party; *provided, however*, that Proprietary Information does not include information which (i) becomes publicly available, other than by disclosure by the Executive in violation of this Agreement, (ii) is contained in a publicly available document or (iii) was known to the Executive before the Executive commenced discussion with the Company regarding the prospect of employment by the Company.



Following Successful FDA Marketing Clearance of the CompuFlo™ Epidural Instrument, Milestone Scientific Appoints Daniel Goldberger as CEO to Lead Transition to a Commercially Focused Global Medical Device Company

Leonard Osser to Continue as Director of China Operations and a Board Member

LIVINGSTON, NJ, July 11, 2017 -- Milestone Scientific Inc. (NYSE: MLSS), developer of painless and precise computerized drug delivery instruments, today announced the appointment of Daniel Goldberger as Chief Executive Officer. Leonard Osser, who previously served as Chief Executive Officer, will continue as a member of the Board of Directors and Director of China Operations of Milestone Scientific.

The appointment follows the June 12, 2017 announcement that the Company's CompuFlo® Epidural Computer Controlled Anesthesia System received 510(k) clearance from the U.S. Food and Drug Administration (FDA). Mr. Goldberger's responsibilities will include transitioning Milestone to a commercially focused global medical device company, and formally launching the CompuFlo® Epidural System, which provides anesthesiologists and other health care providers for the first time, the ability to quantitatively determine and document the pressure at the needle tip in real-time.

Epidurals represent a multi-billion dollar global market and potential complications with conventional standard of care include wet tap (punctured dura), neurological injuries, and paraplegia. The CompuFlo® Epidural's proprietary DPS Dynamic Pressure Sensing Technology™ (DPS) allows the CompuFlo® Epidural system to provide objective visual and audible in-tissue pressure feedback that allows anesthesiologists to identify the epidural space.

Mr. Goldberger is a seasoned senior executive, consultant and board member with 35 years of life sciences and medical device experience, including sales, commercial scaling, supply chain, and business analytics. Mr. Goldberger has held senior leadership and board of directors positions at medical technology companies including Xtant Medical Holdings, Sound Surgical Technologies/Solta Medical, Xcorporeal, and Glucon. As CEO of Xtant, he oversaw a tripling of sales from \$30 million to \$90 million over a three and one-half year period. He also guided Xtant through a period of improved profitability and substantially increased enterprise value. With Sound Surgical, he boosted revenue from \$9 million to \$40 million over six years through a strategic restructuring and new product development. Dan holds a BS in Mechanical Engineering from MIT and an MS in Mechanical Engineering from Stanford University.

"I am thrilled to accept this position at such an important inflection point as Milestone transitions from an R&D focused organization to a commercially focused medical device company," said Mr. Goldberger. "Milestone's painless and precise computerized injection technology platform has the potential to transform drug delivery. Over the coming years, we will be laser focused on sales and marketing activities, including building our global distribution network. Since receiving marketing clearance for the first instruments in Europe, Milestone has been successful in attracting key opinion leaders. Following our recent FDA marketing clearance of the epidural instrument, I look forward to now converting the growing enthusiasm among medical practitioners into broad global commercial adoption."

Leonard Osser, founder and member of the Board of Directors, stated, "We are pleased to announce the appointment of Daniel Goldberger as Chief Executive Officer. He brings a proven track record driving sales and global market adoption of medical devices to Milestone. Dan's skill sets will be invaluable as we enter the next phase of our growth, in which we will be heavily focused on the commercial rollout of our epidural instrument. As a member of the Board of Directors, Director of China Operations and a significant stockholder, I look forward to overseeing our continued expansion in China and supporting Dan in his leadership role."

Leslie Bernhard, Chairman of Milestone Scientific, further noted, "Since returning as CEO, Leonard Osser has executed on a focused vision to bring our technology to the medical industry. This vision has now been realized with the recent FDA clearance of our epidural instrument, as well as European marketing clearance of both the epidural and intra-articular instruments. Dan Goldberger had been tapped by Leonard and the board to lead Milestone into its next stage of commercial growth and development. We look forward to establishing Milestone's platform technology as the standard-of-care in painless and precise drug delivery in the U.S., Europe and around the world."

About Milestone Scientific Inc.

Milestone Scientific Inc. (MLSS) is a medical device company that designs, patents and commercializes innovative injection technologies. Milestone's computer-controlled systems are designed to make injections precise, efficient, and virtually painless. For more information please visit our website:www.milestonescientific.com.

Safe Harbor Statement

This press release contains forward-looking statements regarding the timing and financial impact of Milestone's ability to implement its business plan, successfully commercialize its medical devices, achieve expected revenues, and obtain incremental regulatory approvals and otherwise achieve future success. These statements involve a number of risks and uncertainties and are based on assumptions involving judgments with respect to future economic, competitive and market conditions, future business decisions and regulatory developments, all of which are difficult or impossible to predict accurately and many of which are beyond Milestone's control. Some of the important factors that could cause actual results to differ materially from those indicated by the forward-looking statements are general economic conditions, failure to achieve expected revenue growth, changes in our operating expenses, adverse patent rulings, FDA or legal developments, competitive pressures, changes in customer and market requirements and standards, and the risk factors detailed from time to time in Milestone's periodic filings with the Securities and Exchange Commission, including without limitation, Milestone's Annual Report for the year ended December 31, 2016. The forward looking statements in this press release are based upon management's reasonable belief as of the date hereof. Milestone undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

###

Contact:

David Waldman or Natalya Rudman
Crescendo Communications, LLC
Email: mlss@crescendo-ir.com
Tel: 212-671-1020