



INSIDER TRADING POLICY

PURPOSE

Medilines Distributors, Inc. (MDI) adopts this Insider Trading Policy to ensure the compliance by the directors, officers, employees, consultants, and advisers, of the laws and regulations on Insider Trading as provided in applicable laws and regulations, particularly with the Securities Regulation Code, its Implementing Rules and Regulations, and relevant issuances of the Securities and Exchange Commission on dealings in shares of publicly listed companies. This Policy may be amended from time to time by MDI's Board of Directors. The Board's Corporate Governance Committee is tasked with overseeing the implementation of this Policy.

POLICY

Directors, officers and employees of the Company who know material and confidential information (i.e., facts in the business operations of the Company that have not been disclosed to the public) are prohibited from the following:

1. Buying or selling (trading) share of stock of MDI while in possession of material information with respect to the Company or the security that is not generally available to the public, unless it falls under any of the exceptions provided under Section 27.1 of the Securities Regulation Code.
2. Communicating material nonpublic information about the Company or the security to any person, who by virtue of the communication, gives the person access to material information about the Company or the security that is not generally available to the public, where the employee communicating the information knows or has reason to believe that such person will likely buy or sell a security of the Company while in possession of such information.
3. Selling or buying a security of the Company, that are sought or to be sought by a tender offer that has commenced or about to commence, if he knows or has reason to believe that the information is non-public and has been acquired directly or indirectly from the tender offeror
4. Communicating material nonpublic information relating to a tender offer to any person where such communication is likely to result in a violation of No. 3.

MATERIAL INFORMATION

All information that is likely to affect the market price of MDI's shares is deemed to be material. Such material information includes, but is not limited to, financial results, mergers and acquisitions, significant investments and litigations, major changes in key senior management positions, and the like.

PENALTIES

Any person who violates this policy shall be subject to disciplinary action, without prejudice to any civil or criminal proceedings which may be filed against him. Under the law, insider trading may be subject to penalty for damages or fine and/or imprisonment.