

Notice of Annual General Meeting 14 October 2020 and Explanatory Statement

Due to the ongoing COVID-19 pandemic, social distancing requirements, and in the interests of the health and safety of our shareholders, directors and staff, the meeting will be held virtually. Shareholders will be able to attend and vote at the meeting electronically through the online platform at <https://agmlive.link/RGS20>

By order of the Board

11 September 2020

Sandra McIntosh

Company Secretary

NOTICE is hereby given that the Annual General Meeting of Members of Regeneus Ltd (**the Company**) will be held on Wednesday 14th October at 2.30pm (Sydney time). The meeting will be held as a virtual meeting, online at <https://agmlive.link/RGS20>. Details for the meeting have been mailed to shareholders today.

ORDINARY BUSINESS

Financial Report

To receive the financial statements of the Company for the year ended 30 June 2020 together with the Directors' Report and the Auditor's Report.

RESOLUTIONS

RESOLUTION 1: Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the Remuneration Report for the year ended 30 June 2020 be adopted."

Note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

The Company will disregard any votes cast on the above resolution:

- by key management personnel or their closely related parties; or
- as a proxy by key management personnel or a closely related party of any key management personnel.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 2: Re-election of a Director, Barry Sechos

To consider and, if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That Barry Sechos, who retires as a Director of the Company by rotation in accordance with clause 3.6 of the Company's Constitution, and being eligible for re-election, is re-elected as a Director of the Company".

RESOLUTION 3: Re-election of a Director, Graham Vesey

To consider and, if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That Graham Vesey, who retires as a Director of the Company by rotation in accordance with clause 3.6 of the Company's Constitution, and being eligible for re-election, is re-elected as a Director of the Company".

RESOLUTION 4: Approval of additional placement capacity under Listing Rule 7.1A

To consider and, if thought fit, to pass, with or without amendment the following resolution as a **special resolution**:

"That for the purpose of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement".

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the above resolution by or on behalf of any person, or any associate of that person, who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

At this point in time, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5: Approval of issue of options to Director - Leo Lee

To consider and, if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholders approve the issue of 4,750,000 options to Leo Lee (or his nominee) pursuant to the Regeneus Option Share Trust Plan on such terms and conditions set out in the Explanatory Notes accompanying the Notice of Meeting".

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the above resolution by or on behalf of any Director or any associates of those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast in favour of the above resolution as a proxy by key management personnel or a closely related party of any key management personnel.

RESOLUTION 6: Approval of issue of options to Director – Leo Lee

To consider and, if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholders approve the issue of 7,500,000 options to Leo Lee (or his nominee) pursuant to the Regeneus Option Share Trust Plan on such terms and conditions set out in the Explanatory Notes accompanying the Notice of Meeting”.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the above resolution by or on behalf of any Director or any associates of those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast in favour of the above resolution as a proxy by key management personnel or a closely related party of any key management personnel.

RESOLUTION 7: Approval of issue of options to Director – Alan Dunton

To consider and, if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholders approve the issue of 1,000,000 options to Alan Dunton (or his nominee) pursuant to the Regeneus Option Share Trust Plan on such terms and conditions set out in the Explanatory Notes accompanying the Notice of Meeting”.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the above resolution by or on behalf of any Director or any associates of those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast in favour of the above resolution as a proxy by key management personnel or a closely related party of any key management personnel.

RESOLUTION 8: Approval of issue of options to Director – John Chiplin

To consider and, if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholders approve the issue of 1,000,000 options to John Chiplin (or his nominee) pursuant to the Regeneus Option Share Trust Plan on such terms and conditions set out in the Explanatory Notes accompanying the Notice of Meeting”.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the above resolution by or on behalf of any Director or any associates of such persons.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote as the chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast in favour of the above resolution as a proxy by key management personnel or a closely related party of any key management personnel.

RESOLUTION 9: Approval of issue of options to Director – Graham Vesey

To consider and, if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholders approve the issue of 1,029,500 options to Graham Vesey (or his nominee) pursuant to the Regeneus Option Share Trust Plan on such terms and conditions set out in the Explanatory Notes accompanying the Notice of Meeting".

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the above resolution by or on behalf of any Director or any associates of such persons.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast in favour of the above resolution as a proxy by key management personnel or a closely related party of any key management personnel.

RESOLUTION 10: Ratification of issue of ordinary shares to AGC

To consider and, if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That for the purpose of ASX Listing Rule 7.4, and for all other purposes, shareholders approve and ratify the issue of 22,459,393 fully paid ordinary shares at an issue price of A\$0.16 per share to AGC, Inc. on such terms and conditions set out in the Explanatory Notes accompanying the Notice of Meeting".

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the above resolution by or on behalf of AGC, Inc. or any associates of AGC, Inc.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Determination of Entitlement to Attend and Vote

The Company has determined that the holders of the Company's ordinary shares for the purpose of the Annual General Meeting will be the registered holders of ordinary shares at **7.00pm (Sydney time) on Monday 12 October 2020**.

Attendance at the Annual General Meeting

Due to the COVID-19 pandemic, the requirements for social distancing, and in the interests of the health and safety of our shareholders, directors and staff, this year the Annual General Meeting will be held as a virtual meeting. Shareholders (or their proxies) will have the ability to attend the meeting and vote and ask questions electronically in real time via an online platform.

Details of how to attend the meeting can be found in the Virtual Annual General Meeting Online Guide included with this Notice of Meeting.

Shareholder voting and proxies

As shareholders are asked to participate virtually in the Annual General Meeting, all resolutions considered at the meeting will be conducted by poll.

In person: Details of how to vote during the meeting can be found in the Virtual Annual General Meeting Online Guide included with this Notice of Meeting.

By proxy: A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy. A proxy need not be a member of the Company. A member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes.

If you would like to appoint a proxy to attend the meeting on your behalf, this can be done by completing and signing the attached proxy form and sending it by post to Regeneus Ltd, c/o Link Market Services Limited at Locked Bag A14, Sydney South NSW 1235 or by facsimile to Link on +61 2 9287 0309 by no later than **2.30pm (Sydney time) on Monday 12 October 2020**, being not less than 48 hours before the time for holding the meeting.

Alternatively, proxy forms may also be lodged online at Link Market Services' website www.linkmarketservices.com.au in accordance with the instructions given there. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions provided on the website.

The proposed Chair of the meeting intends to vote undirected proxies in favour of each of the ten resolutions.

By power of attorney: If an ordinary shareholder has appointed an attorney to attend and vote at the meeting, or if a proxy form is signed by an attorney, the power of attorney must likewise be received by Link Market Services Limited by post to Locked Bag A14 Sydney South NSW 1235, or by facsimile to Link on +61 2 9287 0309 by no later than **2.30pm (Sydney time) on Monday 12 October 2020**, being not less than 48 hours before the time for holding the meeting.

By corporate representative: A member who is a body corporate may appoint an individual as a representative to exercise the member's voting rights at the Annual General Meeting pursuant to section 250D of the *Corporations Act 2001* (Cth). Representatives will be required to present documentary evidence of their appointment to the Company before the meeting.

Questions from Members

Members who are unable to attend the Annual General Meeting and would like to ask questions of the Board concerning matters to be considered at the Annual General Meeting, are invited to do so by completing the form included with this Notice.

Your questions are important to us and although we may not be able to reply to each question individually, we will respond to as many of the frequently asked questions as possible at the Annual General Meeting, or otherwise after the meeting.

Formal location

The formal location of the Annual General Meeting will be at the offices of the Company, at 2 Paddington Street, Paddington, New South Wales 2021. However, it is not possible for shareholders to physically attend the meeting. Shareholders are encouraged to participate in the meeting via the online platform or by lodging a proxy ahead of the meeting.

Technical difficulties

Technical difficulties may arise during the course of the Annual General Meeting. The Chair has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of the shareholders impacted and the extent to which participation in the meeting is affected.

Where the Chair considers it appropriate, the Chair may continue to conduct the meeting, including conducting polls and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by no later than **2.30pm (Sydney time) on Monday 12 October 2020** even if they plan to attend online.

Enquiries

For further information relating to the 2020 Annual General Meeting, please contact the Company Secretary at sandra.mcintosh@regeneus.com.au or call + 61 2 9499 8010.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist shareholders with their consideration of the resolutions detailed in the Notice of Annual General Meeting dated 11 September 2020. This Explanatory Statement should be read with, and forms part of, the accompanying Notice of Meeting.

1. Financial Report

As required by section 317 of the *Corporations Act 2001* (Cth), the Financial Report, Directors' Report, Directors' Declarations and the Independent Audit Report of the Company for the financial year ended 30 June 2020 will be laid before the Annual General Meeting.

Shareholders will be provided with the opportunity to raise questions in relation to the reports, however there will be no formal resolution put to the meeting. The Company's Auditor will be present at the meeting and shareholders will also be given the opportunity to ask the Auditor questions on the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company for the preparation of the financial statements and the independence of the Auditor.

2. RESOLUTION 1: Adoption of the Remuneration Report

The *Corporations Act 2001* (Cth) requires that listed companies include a Remuneration Report in their Directors' Report. The Remuneration Report includes information in respect of the Company's remuneration policies in respect of Directors and executives, including the relationship between remuneration policies and the Company's performance, prescribed details of Directors and executives, details of securities included in the remuneration of Directors and executives and details of persons employed under a contract.

The resolution to adopt the Remuneration Report has been put to the shareholders in accordance with section 250R(2) of the *Corporations Act 2001* (Cth). Any outcome, with respect to this resolution, is advisory only and does not bind the Directors or the Company. However, if more than 25% of the votes are cast against two consecutive annual section 250R(2) resolutions, the *Corporations Act 2001* (Cth) requires a shareholder vote on whether to convene a special meeting at which all directors (other than a managing director) who were in office when the second section 250R(2) resolution was passed must stand for re-election.

The Chair will allow a reasonable opportunity at the meeting for shareholders as a whole to ask questions about or make comments on the Remuneration Report.

The Directors will consider the outcome of this vote and any comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Voting exclusion statement

For the purposes of the voting exclusion statement on Resolution 1:

"key management personnel" (KMP) means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

"closely related party" means: (a) a spouse or child of the KMP; (b) a child of the KMP's spouse; (c) a dependent of the KMP or the KMP spouse; (d) anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealing with the Company; (e) a company the KMP controls; or (f) a person otherwise prescribed by the regulations.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 1.

If you appoint the Chair as your proxy, and you check the box consenting to the Chair voting undirected proxies, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to the Chair to vote in favour of Resolution 1.

3. RESOLUTION 2: Re-election of a Director, Barry Sechos

Barry Sechos has served on the Board since 2012. In accordance with the retirement requirements of the Company's Constitution, Barry Sechos retires and offers himself for re-election as a Director of the Company.

His experience, qualifications, and special responsibilities are set out on page 3 of the Company's Annual Report.

4. RESOLUTION 3: Re-election of a Director, Graham Vesey

Graham Vesey is a co-founder and has been on the Board since the incorporation of the Company in 2011. In accordance with the retirement requirements of the Company's Constitution, Graham Vesey retires and offers himself for re-election as a Director of the Company.

His experience, qualifications, and special responsibilities are set out on page 4 of the Company's Annual Report.

5. RESOLUTION 4: Approval of additional placement capacity under Listing Rule 7.1A

5.1 General

Listing Rule 7.1A enables eligible entities to issue "**Equity Securities**" (as defined in the Listing Rules) of up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph 5.2(c) below).

5.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this notice, the Company has on issue one class of quoted equity securities being ordinary shares. The company has the following securities on issue:

- (i) 300,284,381 listed fully paid ordinary shares;
- (ii) unlisted options issued under employee incentive schemes exercisable at:
 - A. 1,250,000 @ \$0.20 each prior to 31 January 2024;
 - B. 2,500,000 @ \$0.25 each prior to 31 January 2024;
 - C. 3,500,000 @ \$0.15 each prior to 1 October 2024;
 - D. 750,000 @ \$0.20 each prior to 1 October 2024;
 - E. 750,000 @ \$0.25 each prior to 1 October 2024;
 - F. 750,000 @ \$0.30 each prior to 1 October 2024;
 - G. 750,000 @ \$0.35 each prior to 1 October 2024;
 - H. 1,000,000 @ \$0.10 each prior to 30 September 2024; and
 - I. 2,980,770 @ \$0.10 each prior to 30 June 2025.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

- A** is the number of shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

- D** is 10%
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 300,284,381 Shares and therefore has a capacity to issue:

- (i) 45,042,657 Equity Securities under Listing Rule 7.1 (subject to any prior issues of Equity Securities that were not issued under either an exception in Listing Rule 7.2 or with the approval of shareholders and that therefore may count towards the placement capacity under Listing Rule 7.1); and
- (ii) 30,028,438 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph 5.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (**VWAP**) of Equity Securities in the same class calculated over the 15 'Trading Days' (as defined in the Listing Rules) immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five (5) Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

5.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing shareholders' voting power in the Company will be diluted as shown in the table below (in the case of listed options, only if the listed options

are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.09 50% decrease in Issue Price	\$0.18 Issue Price	\$0.36 100% Increase in Issue Price
Current Variable "A" 300,284,381 shares	10% Voting Dilution	30,028,438	30,028,438	30,028,438
	Funds raised	\$2,702,559	\$5,405,119	\$10,810,238
50% increase in current Variable "A" 450,426,571 shares	10% Voting Dilution	45,042,657	45,042,657	45,042,657
	Funds raised	\$4,053,839	\$8,107,678	\$16,215,357
100% increase in current Variable "A" 600,568,762 shares	10% Voting Dilution	60,056,876	60,056,876	60,056,876
	Funds raised	\$5,405,119	\$10,810,238	\$21,620,475

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No listed options (including any listed options issued under the 10% Placement Facility) are exercised into shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of shares. If the issue of Equity Securities includes listed options, it is assumed that those listed options are exercised into shares for the purpose of calculating the voting dilution effect on existing shareholders.
 - (vii) The issue price is \$0.18c, being the closing price of the shares on ASX on 8 September 2020.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid

in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

The Company may only issue the Equity Securities under the 10% Placement Facility for cash consideration. In such circumstances, the Company intends to use the funds raised to accelerate its product developments and/or general working capital (including head office operations).

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (d) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

- (e) The Company has previously obtained shareholder approval under Listing Rule 7.1A. There have been no equity securities issued in the 12 months preceding the date of this Annual General Meeting.

5.4 Reasons for Seeking Approval

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

5.5 Board Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that shareholders vote in favour of this resolution.

6. RESOLUTION 5: Approval of issue of options to Director - Leo Lee

6.1 General

Resolution 5 seeks shareholder approval under ASX Listing Rule 10.14 to issue 4,750,000 options to Leo Lee or his nominee. The options were agreed to be issued to Mr Lee following a restructure as an offset for Mr Lee, who took a reduction of cash compensation of \$325,000 per annum base salary and potential cash bonus of \$325,000 per annum to a base salary of \$290,000 per annum with no cash bonus for the financial year ended 30 June 2020.

The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Lee's remuneration for the period to June 2020.

The purpose of the grant of options is to align Mr Lee's remuneration with the Company's new strategy as announced 13 August 2019, to better align the executive compensation to the creation of shareholder value by providing cost savings to the business and to provide for more efficient use of cash.

The options will be granted pursuant to the Regeneus Option Share Trust Plan. A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.

The options to be granted will vest upon the satisfaction of agreed performance conditions.

6.2 Description of Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including options) under an employee incentive scheme to a director or an associate of a director of the Company.

Accordingly, shareholder approval is sought under ASX Listing Rule 10.14.

6.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the issue of the options to Leo Lee:

- (a) The options will be issued to Leo Lee, or his nominee. Approval is being sought for the grant of options to Mr Lee because he is a director of the Company.
- (b) The maximum number of options to be issued to Leo Lee under the approval sought by resolution 5 is 4,750,000.
- (c) The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Lee's current remuneration. Mr Lee was awarded a cash bonus on 3 September for FY21. Mr Lee's total current remuneration comprises:
 - a. fixed remuneration of A\$290,000 per annum, with entitlement to a discretionary cash bonus of up to \$325,000 as determined by Board and Remuneration and Nominations Committee.
 - b. Options:
 - i. 1,250,000 @ \$0.20 expiring 31 January 2024;
 - ii. 2,500,000 @ \$0.25 expiring 31 January 2024;
 - iii. 3,500,000 @ \$0.15 expiring 1 October 2024;
 - iv. 750,000 @ \$0.20 expiring 1 October 2024;
 - v. 750,000 @ \$0.25 expiring 1 October 2024;
 - vi. 750,000 @ \$0.30 expiring 1 October 2024; and
 - vii. 750,000 @ \$0.35 expiring 1 October 2024;
- (d) Mr Lee has previously been granted the following options under the Regeneus Option Share Trust Plan – 1,250,000 @ \$0.20 expiring 31 January 2024; 2,500,000 @ \$0.25 expiring 31 January 2024; 3,500,000 @ \$0.15 expiring 1 October 2024; 750,000 @ \$0.20 expiring 1 October 2024;

750,000 @ \$0.25 expiring 1 October 2024; 750,000 @ \$0.30 expiring 1 October 2024 and 750,000 @ \$0.35 expiring 1 October 2024. All options granted to Mr Lee were issued for nil consideration.

- (e) The material terms of the options are as follows:
 - a. the options are to be granted in two tranches and will vest upon satisfaction of agreed performance conditions;
 - b. the options will expire 5 years after the date of grant of the options;
 - c. the options are proposed to be issued for nil consideration and with an exercise price per options of:
 - i. for 1,250,000 of the options – A\$0.20; and
 - ii. for 3,500,000 of the options – A\$0.10.
- (f) The options will be issued immediately following approval by shareholders at the AGM and, in any event, no later than 1 month after the date of the AGM.
- (g) The options will be issued for nil consideration.
- (h) A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.
- (i) There is no loan applicable to the acquisition of the options or, when exercised, the acquisition of the underlying shares.
- (j) Details of any securities issued under the Regeneus Option Share Trust Plan will be published in the Company's Annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (k) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Regeneus Option Share Trust Plan after the resolution is approved and who were not named in the Notice of Meeting will not participate in the Regeneus Option Share Trust Plan until approval is obtained under that rule.
- (l) A voting exclusion statement applies to this item of business, as set out in the notice.

6.4 Valuation of options

Share options were valued using a variation of the binomial option pricing model.

The key assumptions used in this calculation are:

- (a) the terms of the options as set out above;
- (b) the price volatility of the shares in the Company – in this case being 91%; and
- (c) the average current risk free interest rate - being 0.54%.

On this basis the implied value of the 4,750,000 options proposed to be granted to Mr Lee is as follows:

Option strike price	Implied value per option	Number of options	Total implied value of options to be issued
A\$0.20	\$0.02481	1,250,000	\$31,013
A\$0.10	\$0.03133	3,500,000	\$109,655
TOTAL		4,750,000	\$140,668

6.5 Board Recommendation

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and (other than Leo Lee) unanimously recommend that shareholders vote in favour of this resolution.

6.6 Voting exclusion statement

For the purposes of the voting exclusion statement on Resolution 5:

"key management personnel" (KMP) means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

"closely related party" means: (a) a spouse or child of the KMP; (b) a child of the KMP's spouse; (c) a dependent of the KMP or the KMP spouse; (d) anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealing with the Company; (e) a company the KMP controls; or (f) a person otherwise prescribed by the regulations.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 5.

If you appoint the Chair as your proxy, and you check the box consenting to the Chair voting undirected proxies, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to the Chair to vote in favour of Resolution 5.

7 RESOLUTION 6: Approval of issue of options to Director - Leo Lee

7.1 General

Resolution 6 seeks shareholder approval under ASX Listing Rule 10.14 to issue 7,500,000 options to Leo Lee or his nominee. The options were agreed to be issued to Mr Lee pending a definitive licensing agreement with Kyocera Corporation of not less than US\$5 million and further milestones of up to US\$5 million during the term of the licence period.

The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Lee's remuneration for the period to June 2020.

The purpose of the grant of options was to reward Mr Lee for finalising the Kyocera agreement.

The options will be granted pursuant to the Regeneus Option Share Trust Plan. A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.

The options to be granted will vest upon the satisfaction of agreed performance conditions.

7.2 Description of Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including options) under an employee incentive scheme to a related party. As a director of the Company, Leo Lee is considered to be a related party of the Company.

Accordingly, shareholder approval is sought under ASX Listing Rule 10.14.

7.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the issue of the options to Leo Lee:

- (a) The options will be issued to Leo Lee, or his nominee. Approval is being sought for the grant of options to Mr Lee because he is a director of the Company.
- (b) The maximum number of options to be issued to Leo Lee under the approval sought by resolution 6 is 7,500,000.
- (c) The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Lee's current remuneration. Mr Lee was awarded a cash bonus on 3 September for FY21. Mr Lee's total current remuneration comprises:
 - a. fixed remuneration of A\$290,000 per annum, with entitlement to a discretionary cash bonus of up to \$325,000 as determined by Board and Remuneration and Nominations Committee.
 - b. Options:
 - i. 1,250,000 @ \$0.20 expiring 31 January 2024;
 - ii. 2,500,000 @ \$0.25 expiring 31 January 2024;
 - iii. 3,500,000 @ \$0.15 expiring 1 October 2024;
 - iv. 750,000 @ \$0.20 expiring 1 October 2024;
 - v. 750,000 @ \$0.25 expiring 1 October 2024;
 - vi. 750,000 @ \$0.30 expiring 1 October 2024; and
 - vii. 750,000 @ \$0.35 expiring 1 October 2024;
- (m) Mr Lee has previously been granted the following options under the Regeneus Option Share Trust Plan – 1,250,000 @ \$0.20 expiring 31 January 2024; 2,500,000 @ \$0.25 expiring 31 January 2024; 3,500,000 @ \$0.15 expiring 1 October 2024; 750,000 @ \$0.20 expiring 1 October 2024; 750,000 @ \$0.25 expiring 1 October 2024; 750,000 @ \$0.30 expiring 1 October 2024 and 750,000 @ \$0.35 expiring 1 October 2024,. All options granted to Mr Lee were issued for nil consideration.
- (n) The material terms of the options are as follows:
 - a. the options are to be granted in three equal tranches and will vest upon

satisfaction of agreed performance conditions;

- b. the options will expire 5 years after the date of grant of the options;
 - c. the options are proposed to be issued for nil consideration and with an exercise price per option of A\$0.14.
- (o) The options will be issued immediately following approval by shareholders at the AGM and, in any event, no later than 1 month after the date of the AGM.
 - (p) The options will be issued for nil consideration.
 - (q) A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.
 - (r) There is no loan applicable to the acquisition of the options or, when exercised, the acquisition of the underlying shares.
 - (s) Details of any securities issued under the Regeneus Option Share Trust Plan will be published in the Company's Annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
 - (t) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Regeneus Option Share Trust Plan after the resolution is approved and who were not named in the Notice of Meeting will not participate in the Regeneus Option Share Trust Plan until approval is obtained under that rule.

7.4 Valuation of options

Share options were valued using a variation of the binomial option pricing model.

The key assumptions used in this calculation are:

- (a) the terms of the options as set out above;
- (b) the price volatility of the shares in the Company – in this case being 132%; and
- (c) the average current risk free interest rate - being 0.43 %.

On this basis the implied value of the 7,500,000 options proposed to be granted to Mr Lee is as follows:

Option strike price	Implied value per option	Number of options	Total implied value of options to be issued
A\$0.14	\$0.14398	7,500,000	\$1,079,850
TOTAL		7,500,000	\$1,079,850

7.5 Board Recommendation

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and (other than Leo Lee) unanimously recommend that shareholders vote in favour of this resolution.

7.6 Voting exclusion statement

For the purposes of the voting exclusion statement on Resolution 6:

“key management personnel” (KMP) means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

“closely related party” means: (a) a spouse or child of the KMP; (b) a child of the KMP's spouse; (c) a dependent of the KMP or the KMP spouse; (d) anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealing with the Company; (e) a company the KMP controls; or (f) a person otherwise prescribed by the regulations.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 6.

If you appoint the Chair as your proxy, and you check the box consenting to the Chair voting undirected proxies, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to the Chair to vote in favour of Resolution 6.

8. RESOLUTION 7: Approval of issue of options to Director – Alan Dunton

8.1 General

Resolution 7 seeks shareholder approval under ASX Listing Rule 10.14 to issue 1,000,000 options to Alan Dunton or his nominee. The options were agreed to be issued to Mr Dunton as part of his appointment to Regeneus Ltd on 24 April 2019, pending a definitive licensing agreement with Kyocera Corporation of not less than US\$5 million and further milestones of up to US\$5 million during the term of the licence period.

The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Dunton's remuneration for the period to June 2020.

Given the stage and position of the Company, the Board has determined that the remuneration of Mr Dunton should be part comprised by options. The options are intended to compensate Mr Dunton given his current cash remuneration is lower than what would ordinarily be an appropriate remuneration – having regard to comparisons with similar global companies. The issue of options also aligns Mr Dunton's remuneration with the medium to long-term performance, of the Company and to the delivery of long-term value creation for shareholders.

The Board considers that the grant of options constitutes a cost effective remuneration to Mr Dunton for his ongoing commitment and contribution to the Company. The Board considers the grant of options constitutes reasonable remuneration to Mr Dunton in the circumstances of the Company and the Mr Dunton (including having regard to his responsibilities as a Director of the Company).

The number of options proposed to be issued to Mr Dunton has been determined by having regard to appropriate remuneration – including having regard to comparisons with similar global companies.

The options will be granted pursuant to the Regeneus Option Share Trust Plan. A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.

The options to be granted will vest upon Mr Dunton remaining as a Director of the Company.

8.2 Description of Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including options) under an employee incentive scheme to a related party. As a director of the Company, Alan Dunton is considered to be a related party of the Company.

Accordingly, shareholder approval is sought under ASX Listing Rule 10.14.

8.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the issue of the options to Alan Dunton:

- (a) The options will be issued to Alan Dunton, or his nominee. Approval is being sought for the grant of options to Mr Dunton because he is a director of the Company.
- (b) The maximum number of options to be issued to Alan Dunton under the approval sought by Resolution 7 is 1,000,000.
- (c) The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Dunton's current remuneration. Mr Dunton's total current remuneration comprises fixed remuneration of A\$55,000 per annum.
- (d) Mr Dunton has not previously been granted options under the Regeneus Option Share Trust Plan.
- (e) The terms of the options are as follows:
 - a. the options are to be granted in three tranches and will vest upon satisfaction of agreed performance conditions over the period from the date of issue until 31 August 2025;
 - b. the options will expire on 31 August 2025;
 - c. the options are proposed to be issued for nil consideration and with an exercise per options of A\$0.1075:
- (f) The options will be issued immediately following approval by shareholders at the AGM and, in any event, no later than 1 month after the date of the AGM.
- (g) The options will be issued for nil consideration.
- (h) A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.
- (i) There is no loan applicable to the acquisition of the options or, when exercised, the acquisition of the underlying shares.
- (j) Details of any securities issued under the Regeneus Option Share Trust Plan will be published in the Company's Annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (k) Any additional persons covered by Listing Rule 10.14 who become entitled to participate

in an issue of securities under the Regeneus Option Share Trust Plan after the resolution is approved and who were not named in the Notice of Meeting will not participate in the Regeneus Option Share Trust Plan until approval is obtained under that rule.

8.4 Valuation of options

Share options were valued using a variation of the binomial option pricing model.

The key assumptions used in this calculation are:

- (d) The terms of the options as set out above;
- (e) The price volatility of the shares in the Company – in this case being 132%; and
- (f) The average current risk free interest rate - being 0.43%.

On this basis the implied value of the 1,000,000 options proposed to be granted to Mr Dunton is as follows:

Option strike price	Implied value per option	Number of options	Total implied value of options to be issued
A\$0.1075	\$0.14669	1,000,000	\$146,690
TOTAL		1,000,000	\$146,690

The Board has considered the proposed grant of options to Mr Dunton, taking into account the circumstances of the Company, the circumstances of Mr Dunton (including having regard to his responsibilities as a Director of the Company), and remuneration comparisons with similar global companies.

The Board considers the financial benefits provided to Mr Dunton by way of the options (together with other elements of his remuneration package) constitutes reasonable remuneration to Mr Dunton. Accordingly, approval under Chapter 2E of the Corporations Act is not being sought.

8.5 Board Recommendation

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and (other than Alan Dunton) unanimously recommend that shareholders vote in favour of this resolution.

8.6 Voting exclusion statement

For the purposes of the voting exclusion statement on Resolution 7:

“key management personnel” (KMP) means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

“closely related party” means: (a) a spouse or child of the KMP; (b) a child of the KMP's spouse; (c) a dependent of the KMP or the KMP spouse; (d) anyone else who is one of the

KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealing with the Company; (e) a company the KMP controls; or (f) a person otherwise prescribed by the regulations.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 7.

If you appoint the Chair as your proxy, and you check the box consenting to the Chair voting undirected proxies, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to the Chair to vote in favour of Resolution 7.

9. RESOLUTION 8: Approval of issue of options to Director – John Chiplin

9.1 General

Resolution 8 seeks shareholder approval under ASX Listing Rule 10.14 to issue 1,000,000 options to John Chiplin or his nominee. The options were agreed to be issued to Mr Chiplin as part of his appointment to Regeneus Ltd on 24 April 2019, pending a definitive licensing agreement with Kyocera Corporation of not less than US\$5 million and further milestones of up to US\$5 million during the term of the licence period.

The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Chiplin's remuneration for the period to June 2020.

Given the stage and position of the Company, the Board has determined that the remuneration of Mr Chiplin should be part comprised by options. The options are intended to compensate Mr Chiplin given his current cash remuneration that is lower than what would ordinarily be an appropriate remuneration – having regard to comparisons with similar global companies. The issue of options also aligns Mr Chiplin's remuneration with the medium to long-term performance, of the Company and to the delivery of long-term value creation for shareholders.

The Board considers that the grant of options constitutes a cost effective remuneration to Mr Chiplin for his ongoing commitment and contribution to the Company. The Board considers the grant of options constitutes reasonable remuneration to Mr Chiplin in the circumstances of the Company and the Mr Chiplin (including having regard to his responsibilities as a Director of the Company).

The options will be granted pursuant to the Regeneus Option Share Trust Plan. A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.

The options to be granted will vest upon Mr Chiplin remaining as a Director of the Company.

9.2 Description of Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including options) to a related party. As a director of the Company, John Chiplin is considered to be a related party of the Company.

Accordingly, shareholder approval is sought under ASX Listing Rule 10.14.

9.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the issue of the options to John Chiplin:

- (a) The options will be issued to John Chiplin or his nominee. Approval is being sought for the grant of options to Mr Chiplin because he is a director of the Company.

- (b) The maximum number of options to be issued to John Chiplin under the approval sought by Resolution 8 is 1,000,000.
- (c) The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Chiplin's current remuneration. Mr Chiplin's total current remuneration comprises fixed remuneration of A\$55,000 per annum.
- (d) Mr Chiplin has not previously been granted options under the Regeneus Option Share Trust Plan.
- (e) The terms of the options are as follows:
 - a. the options are to be granted in three tranches and will vest upon satisfaction of agreed performance conditions over the period from the date of issue until 31 August 2025;
 - b. the options will expire on 31 August 2025;
 - c. the options are proposed to be issued for nil consideration and with an exercise price per options of A\$0.1075:
- (f) The options will be issued immediately following approval by shareholders at the AGM and, in any event, no later than 1 month after the date of the AGM.
- (g) The options will be issued for nil consideration.
- (h) A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.
- (i) There is no loan applicable to the acquisition of the options or, when exercised, the acquisition of the underlying shares.
- (j) Details of any securities issued under the Regeneus Option Share Trust Plan will be published in the Company's Annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (k) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Regeneus Option Share Trust Plan after the resolution is approved and who were not named in the Notice of Meeting will not participate in the Regeneus Option Share Trust Plan until approval is obtained under that rule.

9.4 Valuation of options

Share options were valued using a variation of the binomial option pricing model.

The key assumptions used in this calculation are:

- (a) The terms of the options as set out above;
- (b) The price volatility of the shares in the Company – in this case being 132%; and
- (c) The average current risk free interest rate - being 0.43%.

On this basis the implied value of the 1,000,000 options proposed to be granted to Mr Chiplin is as follows:

Option strike price	Implied value per option	Number of options	Total implied value of options to be issued
A\$0.1075	\$0.14669	1,000,000	\$146,690
TOTAL		1,000,000	\$146,690

The Board has considered the proposed grant of options to Mr Chiplin, taking into account the circumstances of the Company, the circumstances of Mr Chiplin (including having regard to his responsibilities as a Director of the Company), and remuneration comparisons with similar global companies.

The Board considers the financial benefits provided to Mr Chiplin by way of the options (together with other elements of his remuneration package) constitutes reasonable remuneration to Mr Chiplin. Accordingly, approval under Chapter 2E of the Corporations Act is not being sought.

9.5 Board Recommendation

The Directors of the Company believe that Resolution 8 is in the best interests of the Company and (other than John Chiplin) unanimously recommend that shareholders vote in favour of this resolution.

9.6 Voting exclusion statement

For the purposes of the voting exclusion statement on Resolution 8:

“key management personnel” (KMP) means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

“closely related party” means: (a) a spouse or child of the KMP; (b) a child of the KMP's spouse; (c) a dependent of the KMP or the KMP spouse; (d) anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealing with the Company; (e) a company the KMP controls; or (f) a person otherwise prescribed by the regulations.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 8.

If you appoint the Chair as your proxy, and you check the box consenting to the Chair voting undirected proxies, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to the Chair to vote in favour of Resolution 8.

10. RESOLUTION 9: Approval of issue of options to Director – Graham Vesey

10.1 General

Resolution 9 seeks shareholder approval under ASX Listing Rule 10.14 to issue 1,029,500 options to Graham Vesey or his nominee. The options were agreed to be issued to Mr Vesey as part of his FY21 remuneration review.

The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Vesey's remuneration for the period to June 2020.

The Board considers that the grant of options constitutes a cost effective remuneration to Mr Vesey for his ongoing commitment and contribution to the Company. The Board considers the grant of options constitutes reasonable remuneration to Mr Vesey in the circumstances of the Company and Mr Vesey (including having regard to his responsibilities as a Director and executive of the Company).

The options will be granted pursuant to the Regeneus Option Share Trust Plan. A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.

The options to be granted will vest upon Mr Vesey remaining as an employee/contractor of the Company.

10.2 Description of Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including options) to a related party. As a director of the Company, Graham Vesey is considered to be a related party of the Company.

Accordingly, shareholder approval is sought under ASX Listing Rule 10.14

10.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the issue of the options to Graham Vesey:

- (a) The options will be issued to Graham Vesey or his nominee. Approval is being sought for the grant of options to Graham Vesey because he is a director of the Company.
- (b) The maximum number of options to be issued to Graham Vesey under the approval sought by Resolution 9 is 1,029,500.
- (c) The Remuneration Report, on pages 8 to 12 of the 2020 Financial Report, sets out details of Mr Vesey's current remuneration. Mr Vesey's total current remuneration comprises fixed remuneration of A\$140,000 per annum.
- (d) Mr Vesey has not previously been granted options under the Regeneus Option Share Trust Plan.
- (e) The terms of the options are as follows:
 - a. the options are to be granted in three tranches and will vest upon satisfaction of agreed performance;
 - b. the options will expire on 31 August 2025;
 - c. the options are proposed to be issued for nil consideration and with an exercise price per options of A\$0.14:
- (f) The options will be issued immediately following approval by shareholders at the AGM and, in any event, no later than 1 month after the date of the AGM.
- (g) The options will be issued for nil consideration.
- (h) A summary of the material terms of the Regeneus Option Share Trust Plan is set out in Schedule 1 to this Explanatory Statement.

- (i) There is no loan applicable to the acquisition of the options or, when exercised, the acquisition of the underlying shares.
- (j) Details of any securities issued under the Regeneus Option Share Trust Plan will be published in the Company's Annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (k) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Regeneus Option Share Trust Plan after the resolution is approved and who were not named in the Notice of Meeting will not participate in the Regeneus Option Share Trust Plan until approval is obtained under that rule.

10.4 Valuation of options

Share options were valued using a variation of the binomial option pricing model.

The key assumptions used in this calculation are:

- (d) The terms of the options as set out above;
- (e) The price volatility of the shares in the Company – in this case being 132%; and
- (f) The average current risk free interest rate - being 0.43%.

On this basis the implied value of the 1,029,500 options proposed to be granted to Mr Vesey is as follows:

Option strike price	Implied value per option	Number of options	Total implied value of options to be issued
A\$0.14	\$0.14398	1,029,500	\$148,227
TOTAL		1,029,500	\$148,227

The Board has considered the proposed grant of options to Mr Vesey, taking into account the circumstances of the Company, the circumstances of Mr Vesey (including having regard to his responsibilities as a Director and executive of the Company).

The Board considers the financial benefits provided to Mr Vesey by way of the options (together with other elements of his remuneration package) constitutes reasonable remuneration to Mr Vesey. Accordingly, approval under Chapter 2E of the Corporations Act is not being sought.

10.5 Board Recommendation

The Directors of the Company believe that Resolution 9 is in the best interests of the Company and (other than Graham Vesey) unanimously recommend that shareholders vote in favour of this resolution.

10.6 Voting exclusion statement

For the purposes of the voting exclusion statement on Resolution 9:

"key management personnel" (KMP) means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

"closely related party" means: (a) a spouse or child of the KMP; (b) a child of the KMP's spouse; (c) a dependent of the KMP or the KMP spouse; (d) anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealing with the Company; (e) a company the KMP controls; or (f) a person otherwise prescribed by the regulations.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 9.

If you appoint the Chair as your proxy, and you check the box consenting to the Chair voting undirected proxies, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to the Chair to vote in favour of Resolution 9.

RESOLUTION 10: Ratification of issue of ordinary shares to AGC

11.1 Background

As announced to the ASX on 20 December 2019, as part of the termination arrangement in connection with the exclusive manufacture licence and joint venture agreement between the Company and AGC, Inc. (**AGC**), AGC elected to convert US\$2.5 million of its upfront and milestone payments into equity ownership in the Company of ordinary shares at a fixed subscription price of A\$0.16 per share. This subscription price represents a 100% premium to the Company's closing share price as at 19 December 2020 (being the last trading day immediately prior to the termination arrangements being agreed with AGC). The fixed subscription price of A\$0.16 per share also represents an 11.1% discount to the closing share price of A\$0.18 of the Company's shares on 8 September 2020.

A total of 22,459,393 ordinary shares were issued to AGC on 10 September 2020. After the issue of shares to AGC, AGC is now the largest shareholder in the Company, holding approximately 7.6% of the ordinary shares in the Company.

11.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue a number of equity securities over any 12 month period greater than 15% of the fully paid ordinary securities it had on issue at the start of the 12 month period.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of a ratification under Listing Rule 7.4, is to effectively restore the Company's maximum discretionary power to issue further shares up to 15% of the issued capital of the Company under Listing Rule 7.1, without requiring further shareholder approval.

Resolution 10 therefore seeks shareholder ratification under Listing Rule 7.4 for the issue of the 22,459,393 ordinary shares to AGC. If Resolution 10 is passed, the issue of the 22,459,393 ordinary shares to AGC will be excluded in calculating the Company's 15% limit, effectively increasing the number of equity securities that the Company can issue without shareholder approval over the 12 month period from the date of the issue of the shares to AGC.

If Resolution 10 is not passed, the issue the shares to AGC issue will be calculated in the Company's 15% placement limit under Listing Rule, effectively decreasing the number of equity

securities that the Company can issue without shareholder approval over the 12 month period from the date of the issue of the shares to AGC.

11.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of shares to AGC:

- (a) the shares were issued to AGC, Inc.;
- (b) 22,459,393 fully paid ordinary shares in the Company were issued, and rank equally in all respects with the Company's existing ordinary shares;
- (c) the shares were issued on 10 September 2020;
- (d) the issue price for the shares was A\$0.16 per share; and
- (e) the purpose of the issue related to the termination arrangement in connection with the exclusive manufacture licence and joint venture agreement between the Company and AGC. AGC elected to convert US\$2.5 million of its upfront and milestone payments under the exclusive manufacture licence and joint venture agreement into equity ownership in the Company and no funds were raised by the issue.

11.4 Board Recommendation

The Directors of the Company believe that Resolution 10 is in the best interests of the Company and unanimously recommend that shareholders vote in favour of this resolution.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 10.

If you appoint the Chair as your proxy, and you check the box consenting to the Chair voting undirected proxies, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to the Chair to vote in favour of Resolution 10.

SCHEDULE 1 – SUMMARY OF MATERIAL TERMS OF THE REGENEUS OPTION SHARE TRUST PLAN

The Regeneus Option Share Trust Plan (**Plan**) was first approved and formally adopted prior to the Company listing in 2013. The Plan was most recently approved by shareholders at the Company's 2019 Annual General Meeting. The Plan is designed to assist in the reward, motivation and retention of personnel (including Directors, eligible employees and contractors) (**Participants**). The Plan is designed to recognise the abilities, efforts and contributions of participants in the Company's performance and success and provide the participants with an opportunity to acquire or increase their ownership interest in the Company.

Participants may participate in the Plan by the grant of either shares or options over shares.

Regeneus has established the "Regeneus Limited Option Share Trust" (**Trust**) as the vehicle for acquiring, holding and selling shares and options on behalf of the Participants (to date only options have been issued under the Plan). The trustee of the Trust (**Trustee**) is bound by the terms of the Plan and also a trust deed giving powers to the Trustee in connection with the Plan.

The terms on which shares and options are granted under the Plan, including the terms on which options will vest, are set out in individual letters of offer to Participants. Vesting conditions may be a combination of service and performance conditions, as determined by the directors of the Company.

When a Participant accepts an invitation to participate in the Plan, the Participant's interests in any shares or options allocated will be financed by a limited recourse loan from the Trust to the Participant. Such loans will be interest free and limited recourse. The Company or Trustee will also, upon request, provide an interest free limited recourse loan equal to the amount necessary to pay the exercise price for any options held by the Trustee for the benefit of a Participant. Interests of Participants under the Plan are held by units in the Trust rather than a direct holding of the Share or options.

If the Participant's employment ceases prior to any options under the Plan vesting or being exercised, and/or any shares under the Plan being transferred to the Participant, the Participant's entitlement to such shares or options will lapse and the units in the Trust held by the Participant may be cancelled.

The Plan operates on an ongoing basis. An offer or issue of shares or options under the Plan to a Participant may only be made under the Plan if the number of such shares or options, together with the number of shares and options then on issue pursuant to the Plan or any other employee share scheme does not exceed 12% of the total number of issued shares on a fully diluted basis as at the time of the offer.

REGENEUS LTD
ACN 127 035 358

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Regeneus Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **2:30pm (Sydney time) on Monday, 12 October 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

 **BY MOBILE DEVICE**
Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Regeneus Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:30pm (Sydney time) on Wednesday, 14 October 2020** (the Meeting) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in: Online at <https://agmlive.link/RGS20> (refer to details in the Virtual Annual General Meeting Online Guide). To access the **Notice of General Meeting** this can be viewed and downloaded at the Company's website at regeneus.com.au/investors/asx-announcements/

Important for Resolutions 1 and 6 – 9: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 6 – 9 even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of issue of options to Director – Graham Vesey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of a Director, Barry Sechos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Ratification of issue of ordinary shares to AGC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of a Director, Graham Vesey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of additional placement capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of issue of options to Director - Leo Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of issue of options to Director – Leo Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of issue of options to Director – Alan Dunton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of issue of options to Director – John Chiplin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

RGS PRX2001N



