

REGEN III CORP.  
1750 – 400 Burrard Street  
Vancouver, British Columbia V6C 3A6

**MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT**

**GENERAL PROXY MATTERS**

**NOTE OF CAUTION Concerning COVID-19**

At the date of this Notice of Meeting (the “Notice”) and the accompanying Management Information Circular, it is the intention of the Company to hold the Meeting at the location stated above in this Notice. In order to ensure the safety of our employees, shareholders and guests, all current coronavirus COVID-19 regulations and guidance in place at the time of the annual meeting will be in effect on site. In light of the continued risks posed by COVID-19, we ask shareholders to consider voting their shares by proxy and not attending the meeting in person. Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms or have tested positive for COVID-19. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Management Information Circular.

The Company reserves the right to take any additional precautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to any COVID-19 developments, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company’s profile on SEDAR as well as on our Company website at [www.regeniii.com](http://www.regeniii.com). We strongly recommend you check the Company’s website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to COVID-19, the Company will not prepare or mail amended Meeting Proxy Materials.

**Solicitation of Proxies by Management**

This Management Information Circular (the “Circular”) is being furnished in connection with the solicitation of proxies by the management of ReGen III Corp. (the “Company”) for use at the annual general and special meeting of shareholders of the Company (the “Meeting”) to be held at the offices of the Company, 1750 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, on Friday, July 29, 2022, at 11:00 a.m. (Vancouver time), and any adjournment thereof. This Circular contains information as at June 27, 2022, unless otherwise noted.

### **Cost and Manner of Solicitation**

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, or by facsimile or electronically by the directors or regular employees of the Company, or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of common shares of the Company (“**Common Shares**”). All costs of solicitation will be borne by the Company.

### **Appointment of Proxy**

A shareholder entitled to vote at the Meeting, may, by means of a properly executed and deposited proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders of the Company, to attend and act at the Meeting for the shareholder and on the shareholder’s behalf.

The individuals named in the enclosed form of proxy are directors or officers of the Company (“**Management Designees**”). **A shareholder wishing to appoint some other person (who need not be a shareholder of the Company) to represent him or her at the Meeting has the right to do so, either by inserting that person’s name in the blank space provided in the form of proxy and striking out the names of the Management Designees, or by completing another form of proxy, or by using the internet at [www.investorvote.com](http://www.investorvote.com).** A proxy will not be valid unless the completed, dated and signed form of proxy is deposited with Computershare Investor Services Inc. (“**Computershare**”) not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for holding the Meeting or an adjournment thereof, or is delivered to the chair of the Meeting prior to the commencement of the Meeting, or an adjourned meeting. Proxies may be voted in one of the following manners:

- (a) by using the internet at [www.investorvote.com](http://www.investorvote.com); or
- (b) by completing and signing the enclosed form of proxy and depositing it with the Company’s transfer agent, Computershare, using one of the following methods:

By Mail:           Computershare Investor Services Inc.  
                          Attention: Proxy Department  
                          135 West Beaver Creek  
                          PO Box 300  
                          Richmond Hill, Ontario  
                          L4B 4R5

By Facsimile:   416-263-9524 or 1-866-249-7775

If you vote your proxy using the internet, do not send back the form of proxy.

### **Revocation of Proxy**

A registered shareholder who has given a proxy may revoke it by an instrument in writing duly executed by the shareholder or by a shareholder’s attorney authorized in writing, or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Company at Suite 3810, Bankers Hall West, 888 – 3<sup>rd</sup> Street SW, Calgary, Alberta T2P 5C5 at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any

reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

In addition, a proxy may be revoked by a registered shareholder executing another form of proxy bearing a later date and depositing the same at the offices of Computershare within the time period and in the manner set out above or by the registered shareholder personally attending the Meeting, withdrawing the proxy and voting the shares.

### **Voting of Proxies and Exercise of Discretion by Proxyholders**

Unless a ballot is called for or required by law, voting at the Meeting will be by way of show of hands. Common Shares represented by a properly completed, executed and deposited proxy may be voted by the proxyholder on a show of hands, except where the proxyholder has conflicting instructions from more than one shareholder, in which case such proxyholder will not be entitled to vote on a show of hands. In addition, shares represented by proxies may be voted on any ballot. In either case, where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares will be voted or withheld from voting accordingly.

**IF A CHOICE WITH RESPECT TO ANY MATTER IS NOT CLEARLY SPECIFIED IN THE PROXY, THE MANAGEMENT DESIGNEES WILL VOTE THE SHARES REPRESENTED BY THE PROXY FOR EACH MATTER.**

**The enclosed form of proxy, when properly completed, executed and deposited and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, the enclosed form of proxy confers discretionary authority on the Management Designees to vote in accordance with their best judgment on such matters or business. At the date of this Circular, management knows of no such amendment, variation or other matter which may be presented to the Meeting.

### **Advice to Beneficial Holders of Common Shares**

Only registered holders of Common Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a **"Non-Registered Holder"**) are registered either: (i) in the name of an intermediary (an **"Intermediary"**) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

### **Distribution to Non-Objecting Beneficial Owner ("NOBO")**

In accordance with the requirements of the Canadian Securities Administrators and NI 54-101, the Company will have caused its agent to distribute copies of the Notice and this Circular (collectively, the **"meeting materials"**) as well as a Voting Instruction Form directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner.

These securityholder materials are being sent to both registered and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request/or Voting Instruction Form enclosed with mailings to NOBOs.

The meeting materials distributed by the Company's agent to NOBOs include a Voting Instruction Form. Please carefully review the instructions on the Voting Instruction Form for completion and deposit.

### **Distribution to Objecting Beneficial Owner ("OBO")**

In addition, the Company will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner.

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries generally use service companies such as Broadridge to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare with respect to the Common Shares beneficially owned by such OBO, in accordance with the instructions above; OR
- (b) more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a "**proxy authorization form**") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code or other information. In order for the form of proxy to validly constitute a proxy authorization form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

**Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

Management does not intend to pay for Intermediaries to forward the meeting materials and Voting Instructions Forms to OBOs and therefore an OBO will not receive the meeting materials and Voting Instructions Form unless his or her Intermediary assumes the cost of delivery.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

### **Voting Securities**

The Company's authorized share structure consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares (the "**Preferred Shares**"). As of June 21, 2022, the record date for voting at the Meeting, there were 114,283,045 Common Shares issued and outstanding and no Preferred Shares issued and outstanding. Each Common Share carries the right to one vote at meetings of shareholders of the Company. The Company has no other classes of voting securities.

### **Principal Holders**

To the knowledge of the directors and senior officers of the Company, as at June 21, 2022, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company.

### **Record Date**

Any shareholder of record at the close of business on June 21, 2022 (the "**Record Date**") who either personally attends the Meeting or who has submitted a properly executed and deposited form of proxy in the manner and subject to the provisions described above and which has not been revoked shall be entitled to vote or to have the shareholder's shares voted at the Meeting.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed below or elsewhere in this Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate or any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## **STATEMENT OF EXECUTIVE COMPENSATION**

The following sections outline the executive compensation practices of the Company with respect to those individuals who were: (i) acting as Chief Executive Officer (the "**CEO**") of the Company, or in a similar capacity, for any part of the financial year ended December 31, 2021; (ii) acting as Chief Financial Officer (the "**CFO**") of the Company, or in a similar capacity, for any part of such financial year; and (iii) each of the

three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of such financial year and whose total compensation was more than \$150,000 (collectively the “NEOs”).

### **Compensation Discussion and Analysis**

The Company’s approach to executive compensation has historically been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company has attempted to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company. The board of directors of the Company (the “**Board**”) established and reviewed the Company’s overall compensation philosophy and its general compensation policies with respect to the CEO and other officers, including the corporate goals and objectives and the annual performance objectives relevant to such officers. The Board evaluated each officer’s performance in light of these goals and objectives and, based on its evaluation, determined and approved the salary, bonus, options and other benefits for such officers. In determining compensation matters, the Board considered a number of factors, including the Company’s performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The overall objectives of the Company’s compensation strategy are to reward members of management for their efforts, while seeking to conserve cash. Until recently, compensation of the NEOs has emphasized conservation of cash.

Existing options held by the NEOs at the time of subsequent option grants are taken into consideration in determining the quantum or terms of any such subsequent option grants. Options have been granted to directors, management, employees and certain service providers as long-term incentives to align the relevant individual’s interests with those of the Company. The size of the option awards is in proportion to the deemed ability of the individual to make an impact on the Company’s success.

The Board has considered the implications of the risks associated with the Company’s compensation policies and practices. The Board considered the balance between long-term objectives and short-term financial goals incorporated into the Company’s executive compensation program and whether or not NEOs are potentially encouraged to expose the Company to inappropriate or excessive risks. Risks, if any, may be identified and mitigated through regular meetings of the Compensation Committee (as defined below) and the Board. No risks have been identified arising from the Company’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company currently does not have a policy that restricts NEOs and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEOs or director.

The Company has established a compensation committee which has been given the mandate to develop the Company’s executive compensation philosophy and program and oversee the implementation thereof (the “**Compensation Committee**”). The Compensation Committee consists of three directors, namely, Gregory Clarkes, Bob Rennie and Larry Van Hatten. The Board believes that the members of the Compensation Committee collectively have the knowledge, experience and background required to fulfill the mandate of the Compensation Committee.

During the Company's most recently completed financial year, the Company has not retained a compensation consultant or advisor to assist the Compensation Committee or the Board in determining compensation for any of the Company's executive officers.

### Summary of Executive Compensation

The following table summarizes the compensation paid during the financial years ended December 31, 2021, 2020 and 2019 to those individuals who were NEOs. Based on the foregoing, during the financial year ended December 31, 2021, the following individuals were NEOs of the Company: Gregory Clarkes, Rick Low, Gordon Driedger, Mark Redcliffe, Thomas Lawlor, and Stephen Martin.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)		
Gregory Clarkes Chairman and Chief Executive Officer	2021	60,000	-	888,379	150,000	-	335,000 <sup>(7)</sup>	1,440,447
	2020	60,000	-	78,987	-	-	335,000 <sup>(7)</sup>	481,551
	2019	60,000	-	274,890	-	-	335,000 <sup>(7)</sup>	682,804
Rick Low <sup>(1)</sup> Chief Financial Officer and Manager, Finance & Accounting	2021	102,000 <sup>(2)</sup>	-	-	-	-	-	102,000
	2020	102,000	-	-	-	-	-	102,000
	2019	102,000	-	4,869	-	-	-	106,869
Stephen Martin <sup>(3)</sup> Chief Financial Officer	2021	48,308	-	80,615	-	-	-	128,923
Gordon Driedger <sup>(4)</sup> President & Chief Operating Officer	2021	254,000	-	13,314	-	-	-	267,314
	2020	240,000	-	35,242	-	-	-	275,242
	2019	240,000	-	63,516	-	-	-	303,516
Mark Redcliffe <sup>(5)</sup> Executive VP, Corporate Finance	2021	179,000	-	7,616	-	-	-	186,616
	2020	159,885	-	43,425	-	-	-	203,310
	2019	168,077	-	40,166	-	-	-	208,243
Thomas Lawlor <sup>(6)</sup> Chief Operating Officer	2021	106,760	-	85,497	-	-	-	192,469

Notes:

- (1) Mr. Low resigned as Chief Financial Officer effective October 19, 2021.
- (2) Mr. Low's salary of \$102,000 was comprised of \$80,750 for his role as Chief Financial Officer and \$21,250 for his role as Manager, Finance & Accounting.
- (3) Mr. Martin was appointed as Chief Financial Officer effective October 19, 2021.
- (4) Mr. Driedger resigned as Chief Operating Officer effective August 25, 2021, and as President effective February 28, 2022.
- (5) Effective February 28, 2022, Mr. Redcliffe was appointed as President.
- (6) Effective August 25, 2021, Mr. Lawlor was appointed as Chief Operating Officer.
- (7) Comprised of \$300,000 in consulting fees, \$30,000 in accrued directors' fees and \$5,000 in accrued fees for acting as Chair of the Company's Compensation Committee.

### Incentive Plan Awards

The following table provides information regarding the incentive plan awards issued pursuant to the Stock Option Plan (as defined below) for each NEO outstanding as of December 31, 2021. The Company does not have any share-based awards.

<b>Option-based Awards</b>				
<b>Name</b>	<b>Number of Common Shares underlying Options</b>	<b>Option exercise price (\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (\$)<sup>(1)</sup></b>
Gregory Clarkes	1,500,000	0.63	February 2, 2023	1,575,000
	720,000	0.70	March 13, 2023	705,600
	1,700,000	0.80	April 1, 2023	1,496,000
Gordon Driedger	300,000	0.25	February 4, 2022	429,000
Rick Low	-	-	-	-
Stephen Martin	600,000	1.79	October 19, 2023	-
Mark Redcliffe	300,000	0.20	June 2, 2022	444,000
Thomas Lawlor	600,000	1.23	August 25, 2023	270,000

Note:

- (1) Calculated as the closing price of the Common Shares on the TSX Venture Exchange (the "Exchange") on December 31, 2021, of \$1.68 less the exercise price, multiplied by the number of options.

The following table provides information regarding the value on vesting of options issued to the NEOs pursuant to the Stock Option Plan that vested during the financial year ended December 31, 2021. The Company does not have any other incentive plans or awards.

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)<sup>(1)</sup></b>
Gregory Clarkes	888,379
Gordon Driedger	13,314
Rick Low	Nil
Stephen Martin	80,615
Mark Redcliffe	7,616
Thomas Lawlor	85,497

Note:

- (1) Based on the closing price per Common Share on the TSXV on the applicable vesting date(s) during the financial year ended December 31, 2021.

### **Pension Plan Benefits**

The Company does not provide pension plan benefits.

### **Termination and Change of Control Benefits**

Except as disclosed herein, the Company does not have any employment contracts with any NEO, director or officer, nor does it have any arrangements with any NEO, director or officer for compensation in the event of resignation, retirement or other termination with the Company.

For the purposes of the employment agreements between the Company and each of Mr. Clarkes, Mr. Redcliffe, Mr. Lawlor and Mr. Martin, a Change of Control is defined as:

- a) the acquisition, directly or indirectly, by any person or group of persons acting in concert, within the meaning of the *Securities Act* (British Columbia), of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such person or persons totals for the first time more than 50% of the outstanding common shares of the Company; or
- b) the acquisition, directly or indirectly, by any person, or group of persons acting in concert within the meaning of the *Securities Act* (British Columbia), of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such person or persons totals for the first time 30% of the outstanding common shares of the Company followed, within 12 months of such event, by the removal, by extraordinary resolution of the shareholders of the Company, of more than 51% of the then incumbent directors of the Company, or the election of a majority of new directors to the Company's incumbent board;
- c) consummation of a sale of all or substantially all of the assets of the Company, or a reorganization, merger, or other transaction, which has substantially the same effect; or
- d) any plan of arrangement, reorganization, merger or other transaction which has substantially the same effect as (a) to (c) immediately above.

For the purposes of the employment agreements between the Company and each of Mr. Clarkes, Mr. Redcliffe, Mr. Lawlor and Mr. Martin, Good Cause is defined as when one of the following events occurs without their written consent:

- a) a reduction in the Employee's position, duties, responsibilities or status with the Company compared to those that existed immediately prior to such change or reduction;
- b) a material reduction by the Company in the Employee's salary or a change by the Company of the benefits plan; or
- c) a change in the principal place of work of the Employee to a location more than 75 kilometers from the then current place of work.

*Gregory Clarkes*

Commencing March 1, 2017, the compensation arrangements for Mr. Clarkes were modified such that Mr. Clarkes is paid a salary of \$5,000 per month and receives consulting fees of \$300,000 per year. Under the

salary arrangement, if Mr. Clarkes is terminated without cause or within twelve months following a Change of Control (as defined below), whether Mr. Clarkes is terminated for any cause or Mr. Clarkes terminates the agreement for Good Cause (as defined below), he is entitled to a lump sum payment equal to 24 months' salary and benefits as well as all accrued and unpaid vacation pay, salary and reimbursement of all expenses. Additionally, Mr. Clarkes may be terminated upon any breach of the terms of the Clarkes Agreement, with just cause, due to death or disability, or Mr. Clarkes can terminate the agreement with 3 months' advance written notice plus one additional months' notice for each completed year of service, to a maximum of 6 months' notice (or with compensation in lieu of notice).

If Mr. Clarkes employment agreement were terminated for Good Cause on December 31, 2021, he would be entitled to a cash payment of \$124,615.

Under the consulting arrangement, either of Mr. Clarkes or the Company may terminate the arrangement on 30 days' notice.

If Mr. Clarkes' consulting agreement were terminated on December 31, 2021, he would be entitled to a cash payment of \$26,250.

*Mark Redcliffe*

Mr. Redcliffe and the Company entered into an employment agreement (the "**Redcliffe Agreement**") commencing on April 23, 2018. Pursuant to the Redcliffe Agreement, the Company agreed to pay Mr. Redcliffe a salary of \$10,000 per month. This amount was increased to \$12,000 per month on January 1, 2019 and was increased to \$17,000 per month on June 1, 2021.

The Redcliffe Agreement may be terminated at any time for just cause or incapacity. If terminated for just cause without notice or compensation. If terminated for incapacity Mr. Redcliffe will be entitled to four weeks' pay.

The Redcliffe Agreement may be terminated by either party with the greater of four weeks' written notice or the minimum notice required under the British Columbia *Employment Standards Act*.

In the event of a Change of Control, if Mr. Redcliffe's employment is terminated or he resigns for Good Cause (as defined in the Redcliffe Agreement), in each case, within 12 months following the Change of Control, Mr. Redcliffe is entitled to:

- a. the full amount of salary due through the termination date, plus any accrued vacation pay and expenses due;
- b. a lump sum payment equal to 12 months of salary; and
- c. a continuation of the Company's benefits plan until the earlier of 6 months or Mr. Redcliffe finding comparable benefits through other employment.

If the Redcliffe Agreement were terminated for Good Cause on December 31, 2021, Mr. Redcliffe would be entitled to a cash payment of \$219,692.

*Thomas Lawlor*

Mr. Lawlor and the Company entered into an employment agreement (the "**Lawlor Agreement**") commencing on August 25, 2021. Pursuant to the Lawlor Agreement, the Company agreed to pay Mr. Lawlor a salary of \$25,000 per month. Mr. Lawlor is also entitled to bonus payments up to \$750,000 payable in three tranches for successful completion of certain milestones.

The Lawlor Agreement may be terminated at any time for just cause or incapacity without notice or compensation. The Lawlor Agreement may be terminated by either party with six weeks' written notice.

In the event of a Change of Control or if his employment is terminated by the Company without cause, or if Mr. Lawlor's employment is terminated or he resigns for Good Cause following a Change of Control within 12 months of the Change of Control, Mr. Lawlor is entitled to:

- a. the full amount of his salary due through the termination date, plus any accrued vacation pay, benefits and expenses;
- b. a lump sum payment equal to 12 months of salary; and
- c. all bonuses to which Mr. Lawlor is eligible and which were not previously payable will become payable immediately.

If the Lawlor Agreement were terminated for Good Cause on December 31, 2021, Mr. Lawlor would be entitled to a cash payment of \$1,062,464.

*Stephen Martin*

Mr. Martin and the Company entered into an employment agreement (the "**Martin Agreement**") commencing on October 19, 2021. Pursuant to the Martin Agreement, the Company agreed to pay Mr. Martin a salary of \$20,000 per month. Mr. Martin is also entitled to a bonus of up to \$100,000 upon the successful completion of the financing for the Company's first re-refinery plant.

The Martin Agreement may be terminated at any time for just cause or incapacity, without notice or compensation. The Martin Agreement may be terminated by Mr. Martin with four weeks' written notice and may be terminated by the Company by providing the minimum notice required under the *British Columbia Employment Standards Act*.

In the event of a Change of Control or if Mr. Martin's employment is terminated without cause, Mr. Martin is entitled to:

- a. the full amount of salary due through the termination date, plus any accrued vacation pay, benefits, and expenses;
- b. a lump sum payment equal to 12 months of salary; and
- c. all bonuses to which Mr. Martin is eligible and which were not previously payable will become payable immediately.

If the Martin Agreement were terminated for Good Cause on December 31, 2021, Mr. Martin would be entitled to a cash payment of \$340,000.

## Compensation of Directors

Except as disclosed herein, there are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants.

### Director Compensation Table

The following table provides information regarding compensation paid to the Company's directors, who are not NEOs, during the financial year ended December 31, 2021.

Name <sup>(1)</sup>	Fees earned (\$)	Option-based Awards (\$)	Non-Equity based compensation (\$)	All other Compensation (\$)	Total Compensation (\$)
Paul DiPasquale	30,000	83,620	-	-	113,620
Bob Rennie	23,684	385,121	-	-	408,805
Jose Luis Salinas Lanfranco	7,500	521,474	-	-	528,974
Larry Van Hatten	40,000	340,989	-	88,000 <sup>(2)</sup>	470,111

Notes:

- (1) Disclosure of Mr. Clarke's compensation for services as a director is provided in the Summary Compensation Table.  
(2) Consulting fees paid to a company that is controlled by Mr. Van Hatten.

### Director Incentive Plan Awards

The following table provides information regarding the incentive plan awards issued pursuant to the Stock Option Plan for each non-executive director outstanding as of December 31, 2021. The Company does not have any share-based awards.

Name	Option-based Awards			
	Number of Common Shares underlying Options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the- money options (\$) <sup>(1)</sup>
Paul DiPasquale	200,000	0.63	February 2, 2023	210,000
	300,000	0.80	April 1, 2023	264,000
Bob Rennie	750,000	0.85	March 19, 2023	622,500
Jose Luis Salinas Lanfranco	600,000	1.69	October 7, 2023	-
Larry Van Hatten	500,000	0.63	February 2, 2023	525,000
	360,000	0.70	March 13, 2023	352,800
	500,000	0.80	April 1, 2023	440,000

Note:

- (1) Calculated as the closing price of the Common Shares on the Exchange on December 31, 2021 of \$1.68 less the exercise price, multiplied by the number of options.

The following table provides information regarding the value on vesting of options issued to each director pursuant to the Stock Option Plan that vested during the financial year ended December 31, 2021. The Company does not have any other incentive plans or awards.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>
Paul DiPasquale	83,620
Bob Rennie	385,121
Jose Luis Salinas Lanfranco	521,474
Larry Van Hatten	340,989

Note:

- (1) Based on the closing price per Common Share on the TSXV on the applicable vesting date(s) during the financial year ended December 31, 2021.

## Management Contracts

Management functions of the Company are substantially performed by directors or senior officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

## Stock Option Plan

The Company has a Stock Option Plan which was last amended on July 22, 2016 and last approved by Shareholders on April 30, 2021 (the “**Stock Option Plan**”). Policy 4.4 – *Security Based Compensation* of the TSXV Company Manual requires that rolling stock option plans must receive shareholder approval yearly, at an issuer’s annual general meeting. This year, the Company is also proposing to make certain minor amendments to its Stock Option Plan in order to ensure compliance with revised TSXV Policy 4.4 – *Security Based Compensation*, which was implemented by the Exchange on November 24, 2021. The proposed amendments to the Stock Option Plan are set out under the heading “*Matters to be Considered – Approval of Stock Option Plan (as Amended)*” in this Circular.

The Stock Option Plan is for the benefit of the Company’s employees, directors, officers and consultants. The Stock Option Plan is intended to provide additional incentives to attract, retain and motivate directors, officers, employees and consultants.

The Stock Option Plan is a “rolling” plan and provides that the number of Common Shares issuable under the Stock Option Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. In addition, the following restrictions apply to the Stock Option Plan: (i) the number of Common Shares reserved for issuance to any one individual under the Stock Option Plan will not exceed 5% of the issued and outstanding Common Shares; (ii) the aggregate number of Common Shares reserved for issuance to all individuals conducting investor relations activities in any 12-month period will not exceed 2% of the issued and outstanding Common Shares; and (iii) the number of Common Shares reserved for issuance to any one consultant in any twelve (12) month period under the Stock Option Plan will not exceed 2% of the issued and outstanding Common Shares.

Options granted under the Stock Option Plan are non-transferable and generally vest immediately. Options are exercisable for a period of up to ten (10) years from the date of the grant. The exercise price of an option granted under the Stock Option Plan is set by the Board at the time such option is allocated under the Stock Option Plan, and cannot be less than the applicable market price at the time of grant.

Employees, officers, directors, consultants, employees of any person providing management services to the Company, or any company wholly owned by any of the aforementioned are entitled to participate in the Stock Option Plan while they are engaged with the Company. If a participant under the Stock Option Plan dies while engaged with the Company, the right of that participant (or of that participant’s legal

representative) to participate in the Stock Option Plan terminates as of the date of death, but any vested option may be exercised until the earlier of one year after the date of death of such participant and the date of expiration of the Option. If a participant under the Stock Option Plan ceases to be employed by or provide services to the Company, except in the case of termination for cause, any vested option may be exercised until the earlier of ninety (90) days after the participant ceases to be an eligible person under the Stock Option Plan and the date of expiration of the term otherwise applicable, or for such longer period as agreed by the Board and approved by the Exchange at any time prior to expiry of the Option. If a participant under the Stock Option Plan ceases to be employed by or provide services to the Company as a result of termination for cause, all options, whether or not vested, will terminate immediately without any right of exercise unless the Board extends the date of such termination to a later date, which must not exceed the earlier of the expiry date of the option and the date that is twelve (12) months after the participant ceases to be an eligible person under the Stock Option Plan.

Options granted under the Stock Option Plan may only be exercised during the lifetime of a participant by such participant personally and no assignment or transfer of options, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such options whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such options will terminate and be of no further force or effect. However, the Board retains discretion to waive this requirement, subject to the approval of the Exchange, and permit the participant or its legal representative to exercise all or any unvested part of an option if the option would have otherwise vested but for the participant ceasing to be an eligible person.

The Stock Option Plan is administered by the Board, which has authority and discretion, subject to the express provisions of the plan, to interpret the Stock Option Plan, to amend the Stock Option Plan and to make all other determinations deemed necessary or advisable for the administration of the Stock Option Plan. The Board has the right, in its sole discretion, to amend, suspend or terminate the Stock Option Plan or any portion thereof at any time, in accordance with applicable legislation, without obtaining the approval of shareholders; provided that any amendment to any provision of the Stock Option Plan will be subject to any required regulatory approval, stock exchange rules and the provisions of applicable law, if any, that require the approval of shareholders. Notwithstanding the foregoing, the Company will be required to obtain the approval of disinterested shareholders for any amendment related to: (i) the issuance to any one individual within a 12-month period a number of Common Shares exceeding 5% of the issued and outstanding Common Shares; and (ii) reducing the exercise price or extending the term for any outstanding options granted to an insider of the Company.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The table below sets out the outstanding options under the Stock Option Plan, being the Company's only compensation plan under which Common Shares were authorized for issuance, as of December 31, 2021.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(3)</sup>	Weighted-average exercise price of outstanding options, warrants and rights <sup>(3)</sup>	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)(2)</sup>
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	10,205,000	\$0.81	935,756
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>TOTAL</b>	10,205,000	\$0.81	935,756

Notes:

- (1) The number of securities available for issuance under the Stock Option Plan is 10% of the issued and outstanding Common Shares from time to time.
- (2) From the year-end of December 31, 2021 to the date hereof, 1,075,000 options to purchase Common Shares have been granted, 1,440,000 options to purchase Common Shares have been exercised, and no options to purchase Common Shares have expired or were terminated. As of the date hereof, there are options outstanding to purchase 9,840,000 Common Shares, and therefore 1,588,304 options to purchase Common Shares remain available for future issuance as of the date hereof.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and at all times since the commencement of the financial year ended December 31, 2021, no current or former employee, director, executive officer or nominee for election as a director (a "**Nominee**") of the Company (nor any of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Company or its subsidiaries, or (ii) any other entity which is, or was at any time since the commencement of the financial year ended December 31, 2021, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, "**informed person**" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding

voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and

- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Other than as set out in this Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## **AUDIT COMMITTEE**

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditors.

### **Audit Committee Charter**

The Company's Audit Committee has a written charter to follow in carrying out its audit and financial review functions (the "**Audit Committee Charter**"), a copy of which is attached to this Circular as Schedule "A". The Audit Committee reviews all financial statements of the Company prior to their publication, reviews audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them, and reviews fees for audit services. The Audit Committee meets separately (without management present) with the Company's auditors to discuss the various aspects of the Company's financial statements and the independent audit.

### **Composition of the Audit Committee; Relevant Education and Experience**

As of the date of this Circular, the Audit Committee consists of Larry Van Hatten, Jose Luis Salinas Lanfranco and Greg Clarkes. All members are considered to be "financially literate" within the meaning of Section 1.6 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Mr. Van Hatten is a Chartered Professional Accountant, Mr. Salinas is a lawyer and businessman with extensive business and corporate experience as an owner, shareholder, board director, advisor and consultant in a diverse range of public and private operations and Mr. Clarkes has over 30 years' experience in the financial markets and has been a senior officer and director of many private and publicly listed companies.

A member of the Audit Committee is "independent" within the meaning of NI 52-110 if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. In the Board's view, Mr. Van Hatten is not independent because he receives consulting fees from the Company and Mr. Clarkes is not independent due to his position as the CEO of the Company. The Company is relying on the exemption in Section 6.1 of NI 52-110 from Part 3 (*Composition of the Audit Committee*) of NI 52-110, including the requirement that all members of the audit committee be independent, which exemption is available to the Company because its securities are listed only on the Exchange.

### **Audit Committee Oversight**

At no time since the commencement of the fiscal year ended December 31, 2021, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

## Pre-Approval Policies and Procedures

The Audit Committee may satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if: (a) the pre-approval policies and procedures are detailed as to the particular service; (b) the Audit Committee is informed of each non-audit service; and (c) the procedures do not include delegation of the Audit Committee's responsibilities to management.

As of the date of this Circular, the Audit Committee has not adopted specific policies or procedures for the engagement of non-audit services.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the audit and non-audit services provided by the Company's current auditor, Ernst & Young LLP, to the Company to ensure auditor independence. Fees incurred with Ernst & Young LLP for audit and non-audit services in the last two fiscal years are outlined in the following table.

By Category	Year Ended December 31, 2021 (CAD\$)	Year Ended December 31, 2020 (CAD\$)
Audit Fees <sup>(1)</sup>	\$130,000	\$97,500
Audit-Related Fees <sup>(2)</sup>	\$60,000	nil
Tax Fees <sup>(3)</sup>	nil	nil
All Other Fees <sup>(4)</sup>	nil	nil
<b>Total</b>	<b>\$190,000</b>	<b>\$97,500</b>

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided related to a public offering of shares by the Company.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees", and "Tax fees" above.

## CORPORATE GOVERNANCE POLICIES

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its stakeholders, particularly shareholders. National Policy 58-201 – *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed of the Company's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise.

The Company has considered the applicable requirements and believes that its approach is appropriate and works effectively for the Company and its shareholders.

### **Board of Directors**

Pursuant to NI 58-101, a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer's Board, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with the Company. The Board is currently comprised of five members, three of whom the Board has determined are independent, being Ms. Banat and Messrs. Lanfranco and Rennie. Mr. Clarkes is not considered to be independent due to his position as CEO. Mr. Van Hatten is not considered to be independent because he receives consulting fees from the Company.

### **Other Public Company Directorships**

None of the directors, or nominees for directorship, are directors of other reporting issuers.

### **Orientation and Continuing Education**

The Board has not established a formal orientation and education program for new members of the Board. The current directors are experienced in boardroom procedures and corporate governance.

In order to orient new directors as to the nature and operation of the Company's business, they are given the opportunity to meet with key members of the management team to discuss the Company's business and activities. In addition, new directors receive copies of Board materials, corporate policies and procedures, and other information regarding the business and operations of the Company.

Directors are expected to keep themselves current with industry trends and developments and are encouraged to communicate with management and, where applicable, auditors, advisors and other consultants of the Company. Board members have access to the Company's legal counsel in the event of any questions or matters relating to director responsibilities and to keep themselves current with changes in legislation. The Company's directors have full access to the Company's records.

### **Ethical Business Conduct**

To encourage and promote a culture of ethical business conduct, the Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges.

The Board has found that fiduciary duties placed on individual directors by the Company's governing corporate legislation, as well as the restrictions placed on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board duties effectively and to maintain a diversity of view and experience. The Board does not have a nominating committee, and candidates for nomination to the Board are currently identified by

the Board as a whole. In identifying new candidates, the Board takes into account a potential director's experience, skills and characteristics.

### **Compensation**

The Board has appointed a compensation committee consisting of Gregory Clarkes, Bob Rennie and Larry Van Hatten to review and advise the Board with regard to the compensation of senior executives and directors. The Board regularly reviews the adequacy and form of the compensation of the directors, including the granting of stock options, to ensure the compensation realistically reflects the responsibilities and risks involved in being an effective director and that the compensation allows the Company to attract qualified candidates as directors.

### **Assessments**

The Board, on an ad hoc basis, reviews its own performance to satisfy itself that the Board, its committees, and its individual directors are performing effectively.

## **MATTERS TO BE CONSIDERED**

### **1. Financial Statements**

The audited financial statements of the Company as at and for the years ended December 31, 2021 and 2020, together with the report of the auditors thereon (the "**Financial Statements**") will be presented to Shareholders at the Meeting. Copies of the Financial Statements, together with the Management's Discussion and Analysis, are available for review on [www.sedar.com](http://www.sedar.com) and will be available from the Company at 1750 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6.

### **2. Setting the Number of Directors at Five**

Management is proposing to set the number of directors of the Company at five, which is the number of directors currently on the Board.

#### ***Resolution on the Number of Directors of the Company***

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without modification, an ordinary resolution to set the number of directors of the Company at five. The proposed text of the Resolution on the Number of Directors of the Company is as follows:

**"BE IT RESOLVED** as an ordinary resolution of the holders of common shares of ReGen III Corp. (the "**Company**") that:

- (1) the number of directors of the Company is hereby set at five; and
- (2) any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute and deliver all documents and instruments as may be necessary or advisable to give effect to the true intent of these resolutions."

In order to be adopted, the resolution to set the number of directors of the Company at five must be approved by a simple majority of votes cast at the Meeting by Shareholders who vote in person or by proxy.

Unless directed otherwise, the Management Designees intend to vote proxies in favour of setting the number of directors of the Company at five.

### 3. Election of Directors

The term of office of each of the present five directors of the Company expires at the Meeting. **Unless directed otherwise, the Management Designees intend to vote proxies in the accompanying form in favour of the election of these Nominees.** Management does not contemplate that any of these Nominees will be unable to serve as a director. Each director elected at the Meeting will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (Alberta).

The following table sets out the names of the Nominees for election as directors, the jurisdiction in which each is ordinarily resident, all offices of the Company now held by each of them, their present principal occupation or employment, the period of time for which each has been a director of the Company, and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at June 21, 2022.

Name, Present Office and Province and Country of Residence	Present Principal Occupation or Employment	Date First Appointed as Director	No. of Common Shares Owned, Beneficially Controlled or Held <sup>(3)</sup>
<b>Gregory M. Clarkes</b> <sup>(1)(2)</sup> <i>Chairman of the Board and Chief Executive Officer</i> <i>British Columbia, Canada</i>	Chief Executive Officer, Chairman and Director of the Company	June 7, 2011	8,184,309
<b>Catherine Banat</b> <i>Director</i> <i>New York, United States of America</i>	Corporate Director	January 12, 2022	Nil
<b>Jose Luis Salinas Lanfranco</b> <sup>(1)</sup> <i>Director</i> <i>Panama</i>	Lawyer and Businessman	October 8, 2021	Nil
<b>Bob Rennie</b> <sup>(2)</sup> <i>Director</i> <i>British Columbia, Canada</i>	Executive Director, Rennie Group	March 19, 2021	500,000
<b>Larry Van Hatten</b> <sup>(1)(2)</sup> <i>Director</i> <i>British Columbia, Canada</i>	Corporate Director	June 7, 2011	1,687,171

Notes:

- (1) Member of the Audit Committee. Mr. Van Hatten is the chair of the Audit Committee.
- (2) Member of the Compensation Committee. Mr. Clarke is the chair of the Compensation Committee.
- (3) The number of Common Shares owned, controlled or directed by each Nominee, not being within the knowledge of the Company, has been furnished by each Nominee individually.

Mr. Gregory Clarke has been the CEO and Chairman of the Board of the Company since June 2011. Mr. Clarke was previously a director of MENA Hydrocarbons Inc., a junior oil and gas company listed on the Exchange, and Skye Resources Inc., a publicly traded resource company with a nickel project in Guatemala. Between October 1999 and March 2001, he was chief executive officer and director of Sextant Entertainment Group Inc., a publicly traded motion picture and entertainment company. Prior to that, between 1994 and 1997, he was chairman and managing director of Rainmaker Digital Pictures Corp., a publicly traded motion picture and entertainment company.

Ms. Catherine Banat is a financial services executive with over three decades of leadership experience in capital markets innovation, strategy, environmental, social and governance factors, and risk oversight. Ms. Banat has worked at some of the largest global financial institutions, including Goldman Sachs, JP Morgan, Lehman Brothers, the 4<sup>th</sup> largest U.S. public pension plan, the New York City Retirement System and several asset managers across all asset classes, including RBC Global Asset Management and Paloma Partners. Between 2014 and 2021, Ms. Banat held the role of Institutional Portfolio Manager and then the role of Managing Director, Responsible Investing at RBC Global Asset Management. Ms. Banat is a recognized thought leader in sustainable investing. Ms. Banat holds an MBA from the Columbia University Graduate School of Business, a Bachelor of Science in Economics from the Wharton School and a Bachelor of Arts from the University of Pennsylvania.

As founder and executive director of the Rennie Group, Mr. Bob Rennie has redefined the business of real estate, offering specialized national and international marketing, data gathering intelligence information and technology services for over 40 years. Mr. Rennie is often recognized for his leadership in developing new and innovative strategies in risk management and marketing. Mr. Rennie's various philanthropic initiatives focus on mental health and education, while being an active voice and member of the arts communities locally, nationally and internationally. Mr. Rennie acts as President of the Board of Trustees at the Tate American Foundation, sits on the Board of Trustees at the School of the Art Institute of Chicago, acts as Chair, Art Institute of Chicago's Contemporary & Modern Art Committee, is a Member, Musqueam Capital Corporation Advisory Board, and acts as a trustee of the Advisory Board to the Faculty of Arts (UBC), the University Art Committee (UBC), the Urban Development Institute, the British Columbia Centre on Substance Use and the Peter P. Dhillon Centre for Business Ethics' Advisory Board. Mr. Rennie is also the former Chair of the North American Acquisitions Committee (at Tate Museum in London), and a former Member of the Board of Governors at Emily Carr University of Art and Design.

Mr. Jose Luis Salinas Lanfranco is a Peruvian, British and Panamanian businessman. Ms. Salinas has a background in law, business and risk management which have led him to have a varied and extensive professional experience in the private and public sectors. Mr. Salinas specializes in de-risking large-scale industrial and infrastructure projects through traditional tools, such as contractual development or insurance, and through innovative mechanisms, such as corporate engineering, financial vehicles and layering, with the goal to deliver robust asset and financial protections. Mr. Salinas also has extensive business and corporate experience as an owner, shareholder, board director, advisor and consultant in a diverse range of public and private operations, from mining to the energy and nuclear industries. Since 2014, Mr. Salinas has been a Partner and Managing Director at Mansal Group, a group of companies in the corporate services and consultancy sectors. Mr. Salinas studied Law at Pontificia Universidad Catolica

and holds two postgraduate degrees. Mr. Salinas' first postgraduate degree is an LLM in International Commercial Law, International Transport and Insurance from Southampton University in the UK. Mr. Salinas' second postgraduate degree is an MBA with a focus on Enterprise Risk Management, Finance and Insurance from St. John's University in New York City.

Mr. Larry Van Hatten is a director of the Company. From May 2005 to June 2010, Mr. Van Hatten was a partner of Ernst & Young LLP, leading its Vancouver assurance practice until announcing his retirement in June 2010. Prior to May 2005, Mr. Van Hatten was the managing partner of Ellis Foster, Chartered Accountants, a Vancouver-based firm that merged into Ernst & Young LLP in May 2005. Mr. Van Hatten also served on the board of the BC Children's Hospital Foundation, which he chaired from 1996 to 1999. Mr. Van Hatten received his Chartered Accountant designation in 1975 and his Fellow Chartered Accountant designation in 2009. In 2010, he completed the academic requirements for the Directors Education Program.

### ***Cease Trade Orders or Bankruptcies***

Except as disclosed herein, no director of the Company or proposed director:

1. is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that,
  - (a) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (collectively, an "**Order**"), for a period of more than 30 consecutive days; or
  - (b) was subject to an Order that was issued, after the director, executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of such Order, that resulted from an event that occurred while that person was acting as director, chief executive officer or chief financial officer of that company.
2. has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
3. is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
4. has been subject to:
  - (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

In May 1997, Mr. Clarke entered into a settlement agreement with the Autorité des Marchés Financiers. Mr. Clarke admitted that in February 1995, he effected trades of a publicly traded company through Longshot Capital Inc. (“**Longshot**”), his private company, while he possessed insider information. Longshot paid the sum of \$113,512 to cover the settlement and, in part, the inquiry costs of the Autorité des Marchés Financiers.

#### 4. Re-appointment of Auditors

The shareholders of the Company will be asked to vote for the re-appointment of Ernst & Young LLP as auditors of the Company for the ensuing year and to authorize the directors to set the auditors' remuneration. **Unless directed otherwise, the Management Designees intend to vote proxies in favour of a resolution re-appointing Ernst & Young LLP as auditors for the Company for the ensuing year, to hold office until the close of the next annual general meeting of shareholders, or until Ernst & Young LLP is removed from office or resigns, and to authorize the directors to set the remuneration for the auditors.** Ernst & Young LLP were first appointed as auditors of the Company on November 27, 2012.

#### 5. Approval of Stock Option Plan (as Amended)

Policy 4.4 – *Security Based Compensation* of the TSXV Company Manual requires that rolling stock option plans must receive shareholder approval yearly, at an issuer's annual general meeting. This year, the Company is also proposing to make certain minor amendments to its Stock Option Plan in order to ensure compliance with revised TSXV Policy 4.4 – *Security Based Compensation*, which was implemented by the Exchange on November 24, 2021. The following amendments are required by the revised TSXV Policy 4.4:

- (a) to require Disinterested Shareholder Approval (as defined in the Stock Option Plan) for the extension of the term of any Option previously granted to an Insider (as defined in the Stock Option Plan); and
- (b) to provide that the Expiry Date (as defined in the Stock Option Plan) of an Option will be automatically extended only if the Expiry Date of such Option fell within a Blackout Period (as defined in the Stock Option Plan).

The Board approved these amendments to the Stock Option Plan effective June 27, 2022, subject to the approval of the TSXV and the Shareholders of the Company.

The terms of the Stock Option Plan are otherwise unchanged from the version previously approved by Shareholders at the Company's last annual meeting of shareholders, and are summarized above under "*Statement of Executive Compensation - Stock Option Plan*". The full text of the Stock Option Plan (as amended) can be found in Schedule "B" hereto.

The Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution approving and adopting the Stock Option Plan as the Company's stock option plan.

### **Stock Option Plan Resolution**

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without modification, an ordinary resolution (the “**Option Plan Resolution**”) approving the Stock Option Plan (with the amendments required by the TSXV rules). The proposed text of the Stock Option Plan Resolution is as follows:

“**BE IT RESOLVED** as an ordinary resolution of the holders of common shares of ReGen III Corp. (the “**Company**”) that:

- (1) the stock option plan of the Company attached as Schedule “B” to the Information Circular dated June 27, 2022 (the “**Option Plan**”) be and is hereby approved, adopted and ratified as the stock option plan of the Company;
- (2) all issued and outstanding stock options previously granted are hereby continued under and governed by the Option Plan;
- (3) any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute and deliver all documents and instruments as may be necessary or advisable to give effect to the true intent of these resolutions; and
- (4) notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered to amend the form of the Option Plan in order to satisfy the requirements or requests of any regulatory authority without requiring further approval of the shareholders of the Company or to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors.”

In order to be adopted, the Option Plan Resolution must be approved by a simple majority of votes cast at the Meeting by Shareholders who vote in person or by proxy. **Unless directed otherwise, the Management Designees intend to vote proxies in favour of the ordinary resolution approving the Option Plan.**

### **Additional Information**

Additional information relating to the Company may be found under the profile of the Company on SEDAR at [www.sedar.com](http://www.sedar.com), including in the Company’s most recently filed annual information form. Additional financial information is provided in the Company’s audited financial statements and related management’s discussion and analysis for the financial year ended December 31, 2021, which can be found under the profile of the Company on SEDAR. Shareholders may also request these documents from the Company by telephone at 604-806-5275.

**Board of Directors Approval**

The contents of this Circular and the sending thereof to the shareholders of the Company have been approved by the Board.

**BY ORDER OF THE BOARD**

*Signed: "Gregory Clarkes"*

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Gregory Clarkes  
Chairman of the Board and  
Chief Executive Officer

Vancouver, British Columbia  
June 27, 2022

## SCHEDULE "A"

### AUDIT COMMITTEE CHARTER

#### 1. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

#### 2. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be independent directors, pursuant to the policies of the TSX Venture Exchange.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

#### 3. Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Audit Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in the capacity and the external auditor.

#### 4. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

##### Documents/Reports Review

- (a) Review and update this Charter annually.

- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

#### External Auditors

- (a) Require the external auditors to report directly to the Committee.
- (b) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (c) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company and confirming their independence from the Company.
- (d) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (e) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (f) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
- (g) Review with management and the external auditors the terms of the external auditors' engagement letter.
- (h) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (j) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (k) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of

Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

#### Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors regarding financial reporting.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review certification process.
- (i) Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### Other

- (a) Review any related-party transactions.

### **5. Authority**

The Committee may:

- (a) engage independent outside counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

The Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

**SCHEDULE “B”**

**REGEN III CORP.  
(the “Company”)**

**SHARE OPTION PLAN**

**Dated for Reference August 15, 2011  
as amended July 22, 2016 and June 27, 2022**

**ARTICLE 1  
PURPOSE AND INTERPRETATION**

**Purpose**

- 1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

**Definitions**

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the *Securities Act*;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
  - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,

- (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

- (f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or, NEX, as the case may be);
- (g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:
  - (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an affiliate of the Company, other than services provided in relation to a Distribution;
  - (i) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
  - (ii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
  - (iii) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
  - (iv) Consultant Company means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) **Directors** means the directors of the Company as may be elected from time to time;
- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

- (m) **Distribution** has the meaning assigned by the *Securities Act*, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date for an Option** means the date of grant thereof by the Board;
- (o) **Employee** means:
  - (i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (w) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (x) **NEX Issuer** means a company listed on NEX;

- (y) **NEX Policies** means the rules and policies of NEX as amended from time to time;
- (z) **Officer** means a Board appointed officer of the Company;
- (aa) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (bb) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (cc) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (dd) **Optionee** means the recipient of an Option hereunder;
- (ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (ff) **Participant** means a Service Provider that becomes an Optionee;
- (gg) **Person** includes a company, any unincorporated entity, or an individual;
- (hh) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (ii) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (jj) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (kk) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ll) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (mm) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (nn) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

- (oo) **Take Over Bid** means a take-over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;
- (pp) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- (qq) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

### **Other Words and Phrases**

- 1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

### **Gender**

- 1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **ARTICLE 2** **SHARE OPTION PLAN**

### **Establishment of Share Option Plan**

- 2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

### **Maximum Plan Shares**

- 2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

### **Eligibility**

- 2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

### **Options Granted Under the Plan**

- 2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.
- 2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

### **Limitations on Issue**

- 2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:
- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
  - (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
  - (c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

### **Options Not Exercised**

- 2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

### **Powers of the Board**

- 2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to
- (a) allot Common Shares for issuance in connection with the exercise of Options;
  - (b) grant Options hereunder;
  - (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and

- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

#### **Amendment of the Plan by the Board of Directors**

- 2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:
- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
  - (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
  - (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
  - (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
  - (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
  - (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

#### **Amendments Requiring Disinterested Shareholder Approval**

- 2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:
- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
    - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
    - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
    - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or

- (b) any reduction in the Exercise Price or extension of the term of an Option previously granted to an Insider.

#### **Options Granted Under the Company's Previous Share Option Plans**

- 2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

#### **Repricing of Options Granted to Non-Insiders**

- 2.12 Any reduction in the exercise price of an Option held by an Optionee who is not an Insider at the time of the proposed amendment is subject to shareholder approval.

### **ARTICLE 3** **TERMS AND CONDITIONS OF OPTIONS**

#### **Exercise Price**

- 3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Market Price.

#### **Term of Option**

- 3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

#### **Option Amendment**

- 3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.
- 3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.
- 3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

#### **Vesting of Options**

- 3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
  - (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain

milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

### **Vesting of Options Granted to Consultants Conducting Investor Relations Activities**

3.7 Notwithstanding §3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

### **Effect of Take Over Bid**

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

### **Extension of Options Expiring During Blackout Period**

3.9 Should the Expiry Date for an Option fall within a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the ten Business Day period referred to in this §3.9 may not be extended by the Board.

### **Optionee Ceasing to be Director, Employee or Service Provider**

3.10 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the

extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and

- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

### **Non Assignable**

- 3.11 Subject to §3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

### **Adjustment of the Number of Optioned Shares**

- 3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon

the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.12;

- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

#### **ARTICLE 4**

#### **COMMITMENT AND EXERCISE PROCEDURES**

##### **Option Commitment**

- 4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

##### **Manner of Exercise**

- 4.2 An Optionee who wishes to exercise his Option may do so by delivering
- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
  - (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.3.

##### **Tax Withholding and Procedures**

- 4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related

amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

#### **Delivery of Optioned Shares and Hold Periods**

- 4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture at the time of grant, or if the Optioned Shares are being issued to an Insider of the Company, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

### **ARTICLE 5** **GENERAL**

#### **Employment and Services**

- 5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

#### **No Representation or Warranty**

- 5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

#### **Interpretation**

- 5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

**Continuation of Plan**

- 5.4 The Plan will become effective from and after August 15, 2011, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to August 15, 2011.

**Amendment of the Plan**

- 5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

## SCHEDULE A TO SHARE OPTION PLAN

### OPTION COMMITMENT

Notice is hereby given that, effective this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Effective Date**”) ReGen III Corp. (the “**Company**”) has granted to \_\_\_\_\_ (the “**Optionee**”), an Option to acquire \_\_\_\_\_ Common Shares (“**Optioned Shares**”) up to 5:00 p.m. Vancouver time on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Expiry Date**”) at an Exercise Price of Cdn\$ \_\_\_\_ per share.

Optioned Shares are to vest immediately.

**OR**

Optioned Shares will vest [INSERT VESTING SCHEDULE AND TERMS]

The Option shall expire \_\_\_\_ days after the Optionee ceases to be employed by or provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate or written notice in the case of uncertificated shares for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows. [Note: A Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company’s shares and provided the Optionee is not an Insider of the Company. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]

*“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON [insert date 4 months from the date of grant].”*

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture (or the NEX, as the case may be) on the date of this Option Commitment.

**REGEN III CORP.**

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**Authorized Signatory**

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*[insert name of optionee]*

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*Signature of Optionee*