

**REGEN THERAPEUTICS PLC ("ReGen")**  
**AMERICAN DEPOSITARY RECEIPT PROGRAMME**  
**FREQUENTLY ASKED QUESTIONS**

The following is a brief general guide to some of the frequently asked questions relating to American Depositary Receipts. We cannot advise on the merits of ReGen's American Depositary Receipt Programme nor provide any financial or tax advice.

**1. What is an American Depositary Receipt?**

An American Depositary Receipt (ADR) is a negotiable receipt issued in certificate or book-entry form, which represents shares in an existing outstanding class of equity shares in a non-U.S. company. Each ADR represents a number of American Depositary Shares (ADSs). In our case, each ADS will represent 200 of our ordinary shares.

ADRs will facilitate purchases by U.S. investor of our non-U.S. securities and allow us, as a non-U.S. company, to have our stock trade in the United States by reducing or eliminating potential settlement delays, high transaction costs and other inconveniences associated with international securities trading. ADRs are treated in the same manner as U.S. securities for clearance, settlement, transfer and ownership purposes.

The Bank of New York, as our U.S. depository bank, will issue an ADR when the actual ordinary shares are deposited in our local custodian bank (which is The Bank of New York with offices located in London, England) usually by a broker who has purchased the shares in the open market. Once issued, these securities may be freely traded on the Pink Sheets in the U.S. over-the-counter market (see Question 4 below).

**2. How are ADRs issued?**

Our ADRs will be issued or created when contact your broker to make a purchase. The broker, through its own international offices or through a local broker in our home market, purchases the actual ordinary shares and requests that the shares be delivered to the custodian bank. The broker who initiated the transaction will convert the U.S. dollars received from you into the corresponding foreign currency and pay the local broker for the shares purchased. On the same day that the shares are delivered to the custodian bank, the custodian notifies the depository bank. Upon such notification, ADRs are issued and delivered to the initiating broker, who then delivers the ADRs to you.

Please see attached note from the Bank of New York in relation to the issue and cancellation of our ADRs.

**3. How does an ADR trade?**

Once ADRs are issued, they are tradable in the United States and, just as with any other U.S. security, they can be sold to other investors. When an ADR is sold to another U.S. investor and the existing ADR is simply transferred from one ADR holder (seller) to another ADR holder (buyer), it is known as an intra-market transaction. An intra-market transaction is settled in the same manner as any other U.S. security purchase: in U.S. dollars on the third business day after the trade date and typically through Depository Trust Company (DTC).

#### **4. What is the Pink Sheets?**

The Pink Sheets is a quotation service for over-the-counter (OTC) securities. An OTC security is generally considered to be any equity security that is not listed on the NASDAQ, NYSE or AMEX. The Pink Sheets is a privately owned company that permits NASD members to quote any OTC security and does not maintain U.S. regulatory filing requirements.

#### **5. How are ADRs sold and cancelled?**

When you want to sell your ADRs, you should notify your broker. The broker can either sell the ADRs in the U.S. market through an intra-market transaction or sell the shares outside of the U.S., typically into the home market, through a procedure known as a cross-border transaction. In cross-border transaction, brokers, either through their own international offices or through a local broker in the our home market, will sell the shares back into the home market. In order to settle the trade, the U.S. broker will surrender the ADR to the depositary bank with instructions to deliver the shares to the buyer in the home market. The depositary bank will cancel the ADR and instruct the custodian to release the underlying shares and deliver them to the local broker who purchased the shares. The broker will arrange for the foreign currency to be converted into U.S. dollars for payment to you.

#### **6. How does the market price the ADRs?**

Once ADRs are issued and there are an adequate number of ADRs outstanding in the U.S. market, usually 3% to 6% of the company's shares in ADR form, a true intra-market trading market emerges. Until this market develops, the majority of ADR purchases result in ADR issuances resulting from the deposit of shares. When executing an ADR trade, brokers seek to obtain the best price by comparing the ADR price in U.S. dollars to the dollar equivalent price of the actual shares in the home market.

The continuous buying and selling of ADRs in either market tends to keep the price differential between the local and U.S. markets to a minimum. As a result, a significant majority of ADR trading is done in the form of intra-market trading and does not involve the issuance or cancellation of an ADR.

#### **7. What is the Deposit Agreement and how is it relevant to me, as an ADR holder?**

Because The Bank of New York will actually hold the ordinary shares held in the form of ADRs, you must rely on it to exercise your rights as a shareholder. The obligations of The Bank of New York are set out in the deposit agreement among us, The Bank of New York, and you, as an ADR holder. Copies of the deposit agreement will be available for inspection at the corporate trust office of The Bank of New York, which is located at 101 Barclay Street, New York, New York 10286. The office of The Bank of New York, as custodian, is located at One Canada Square, London E14 5AL and The Bank of New York's principal executive office is located at One Wall Street, New York, New York 10286.

If you are ADR holder, you must rely on the procedures of your broker or other financial institution to assert your rights as an ADR holder. You should consult with your broker or financial institution to find out what those procedures are.

**8. What are the charges associated with holding ADRs?**

ADR Holders must pay:

For:

\$5.00 (or less) per 100 ADSs

Each issuance of an ADS, including as a result of a distribution of shares or rights or other property

Each cancellation of an ADS, including if the agreement terminates

\$0.02 (or less) per ADS

Any cash payment

Registration or transfer fees

Transfer and registration of shares on the share register of our registrar from your name to the name of The Bank of New York or its agent when you deposit or withdraw shares

Expenses of The Bank of New York

Conversion of pounds sterling to U.S. dollars

Cable, telex and facsimile transmission expenses (if expressly provided in the deposit agreement)

Taxes and other governmental charges The Bank of New York has to pay on any ADR or share underlying an ADR; for example, share transfer taxes, stamp duty or withholding taxes

As necessary

**8. Whom can I contact if I have further questions regarding ReGen's American Depositary Receipt programme?**

Please contact:

- ReGen Therapeutics: [Percy Lomax at +44 (0) 20 8504 2156]

- The Bank of New York:

Toll Free Tel # for U.S. callers: 1-888-BNY-ADRS (1-888-269-2377)

Toll Free Tel # for non-U.S. callers: 1-610-382-7836

By post: The Bank of New York, Shareholder Relations, P.O. Box 11258, Church Street Station, New York, NY 10286-1258

Email: [shareowners@bankofny.com](mailto:shareowners@bankofny.com)

Website: <http://www.stockbny.com>

Neither ReGen nor The Bank of New York can provide advice on the merits of ReGen's ADR programme nor give any financial or tax advice.

This guide does not constitute or form any part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of ReGen Therapeutics Plc.

## REGEN THERAPEUTICS PLC

### The Bank of New York ADR Issuance and Cancellation Notes

#### Issuance of ReGen ADRs

- (1) If you wish to participate in ReGen's ADR programme, ReGen Ordinary shares are to be deposited with The Bank of New York's ("BNY") custodian in the U.K., along with corresponding ADR delivery instructions.

BNY's custodian information in the U.K.:

The Bank of New York  
One Canada Square, 40th Floor  
Depository Receipts Division  
London E14 5AL  
United Kingdom

Crest ID: BO 011

Peter Ridgwell  
Phone: 44 207 964 6168  
Fax: 44 207 964 6024

Richard Preston  
Phone: 44 207 964 7234  
Fax: 44 207 964 6024

- (a) If the shareholder is holding the ordinary shares in CREST (U.K. clearing system) via a broker, the shareholder is required to instruct their broker to deliver the ordinary shares to The Bank of New York's CREST account with the Stamp Duty Reserve Tax Fee [1.5% of (ordinary share price) x (number of ordinary shares)] and the ADR Issuance Fee (\$5.00 per every 100 ADRs issued) along with the corresponding ADR delivery instructions: (i) DTC participant account number and sub-account number, name and telephone number of the contact who will accept the delivery of the ADRs; or (ii) registration information for issuance of a physical ADR certificate (name, address, and (for U.S. citizens only) a Tax ID number.
- (b) If the shareholder is holding a physical certificate representing the ordinary shares, the shareholder will need to send the share certificate, completed U.K. transfer form and check payable to the Bank of New York for the Stamp Duty Reserve Tax Fee (1.5% of the ordinary share price market price rounded up to the nearest five pounds) and ADR Issuance Fees (\$5.00 per every 100 ADRs issued) to the contacts above, along with corresponding ADR delivery instructions (via US broker or ADR certificate). For issuance to a brokerage account, the issuance fee can also be charged to the receiving party in DTC. BNY can provide the "UK Stock Transfer" form and an "ADR Delivery Instruction" form for reference.
- (2) The Bank of New York, as custodian, will credit The Bank of New York's depository's account and notify the ADR issuance desk of the deposit.
- (3) The ADR issuance desk will deliver the ADRs to the shareholder's U.S. broker

through DTC (U.S. clearing system), or the ADR issuance desk will deliver a physical ADR certificate directly to the shareholder. The delivery method for ADRs will depend solely on the instructions that our custodian has received from the depositing shareholder.

### **Cancellation of ADRs**

For cancellation transactions, the order is simply reversed. Depending on how the ADRs are held (in broker form or in certificate form), an ADR holder will need to advise either the US broker or BNY's ADR Operations Desk (New York) to cancel the ADRs. Corresponding U.K. broker account details or ordinary share certificate registration information, as well as payment of the ADR Cancellation Fees (\$5.00 per every 100 ADRs) is also required. BNY and its custodian in the U.K. will then process the transaction and deliver the underlying ordinary shares to the holder per the instructions received.