DISTRICT OF DELAWARE	ROOF OF CLAIM			
In re:	Number:			
NOTE: See Reverse for List of Debtors/Case Numbers/ important details. This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may filed pursuant to 11 U.S.C. § 503. Name of Creditor and Address: the person or other entity to whom the	be Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of			
Geotor owes money or property	statement giving particulars.			
GERALD E BISBEE JR 110 WELLESLEY DRIVE NEW CANAAN, CT 06840-3530	Check this box if you are the debtor or trustee in this case.	If you have already filed a proof of claim with the		
	_	Bankruptcy Court or BMC, you do not need to file again. THIS SPACE IS FOR COURT USE ONLY		
Creditor Telephone Number () Name and address where payment should be sent (if different from above)	RECEIVED	☐ Check this box to indicate that this		
	JUL 05 2011	claim amends a previously filed claim. Claim Number (if known):		
Payment Telephone Number ()	BMC GROUP	Filed on:		
1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 3 S S S S S S S S S S S S S S S S S S				
2. 5233 TOR GEATH. #2 at	instructions and #3a on IDENTIFIES DEBT	GITS OF ANY NUMBER BY WHICH CREDITOR		
4. SECURED CLAIN (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of set off and provide the requested information Nature of property or right of setoff: Secured Claim Amount: \$ DO NOT include the priority portion of your claim here. Unsecured Claim Amount: \$				
Describe: Real Estate Motor Vehicle Other Value of Property: \$ Annual Interest Rate:		r charges <u>as of time case file</u> included in secured claim, Basis for Perfection:		
5. PRIORITY CLAIM Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Unsecured Priority Claim Amount: \$ SOCO Include ONLY the priority portion of your unsecured claim here.				
You MUST specify the priority of the claim:	Up to \$2,600* of deposits tow	vard purchase, lease, or rental of property or		
Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). Wages, salaries, or commissions (up to \$11,725*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).	Taxes or penalties owed to g Other - Specify applicable pa	or household use -11 U.S.C. § 507(a)(7). overnmental units - 11 U.S.C. § 507(a)(6). ragraph of 11 U.S.C. § 507(a) ().		
Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).	with respect to cases comme	istment on 4/1/13 and every 3 years thereafter inced on or after the date of adjustment.		
 6. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. SUPPORTING DOCUMENTS: <u>Attach redacted copies of supporting documents</u>, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of evidence of perfection of a security interest. (See instruction 7 and definition of "redacted" on reverse side.) 				
DATE-STAMPED COPY To receive an acknowledgment of the filing enclose a stamped, self-addressed envelope and copy of this proof of cla	or your claim, DO nim. DO	NOT SEND ORIGINAL DOCUMENTS. ATTACHED CUMENTS MAY BE DESTROYED AFTER SCANNING.		
The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 5:00 pm, prevailing Eastern Time on July 1, 2011 for Non-Governmental Claimants OR on or before October 5, 2011 for Governmental Units.				
BMC Group, Inc. Attn: ReGen Biologics, Inc. Claims Processing PO Box 3020 BMC Attn: PO Box 3020 BMC Attn: PO Box 3020	AND OR OVERNIGHT DELIVERY T i Group, Inc. ReGen Biologics, Inc. Claims P i0 Lake Drive East nhassen, MN 55317	.		
olaim and state address and telephon	e number if different from the notice	ny, of the creditor or other person authorized to file this address above. Attach copy of power of attorney, if apy.		

Penalty for presenting fraudulent claim is a)fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 AND 3571

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

Court, Name of Debtor, and Case Number:

Fill in the name of the federal judicial district where the bankruptcy case was filed (for example Central District of California), the name of the debtor in the bankruptcy case, and the bankruptcy case number. If you received a notice of the case from the Claims Agent, BMC Group, some or all of this information may have been already completed.

Debtor Name	Case No
ReGen Biologies, Inc.	11-11083
RBio, Inc.	11-11084

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete item 4. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor: State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a). If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS,

appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Supporting Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d).

Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim <u>must</u> sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

Date-Stamped Copy

Return claim form and attachments, if any. If you wish to receive an acknowledgement of your claim, please enclose a self-addressed stamped envelope and a second copy of the proof of claim form with any attachments to the Claims Agent, BMC Group, at the address on the front of this form,

Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.

Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."

DEFINITIONS

DERTOR

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

CREDITOR

A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.

CLAIM

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

PROOF OF CLAIM

A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed with the court-appointed Claims Agent, BMC Group, at the address listed on the reverse side of this page

SECURED CLAIM Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

UNSECURED NONPRIORITY CLAIM

If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.

UNSECURED PRIORITY CLAIM Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other

INFORMATION

document showing that the lien has been filed or recorded.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING www.bmcgroup.com/regenbiologics

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement (this "Amendment") is entered into this 23rd day of March, 2004 (the "Effective Date"), by and between Gerald E. Bisbee, Jr., Ph.D. ("Executive") and ReGen Biologics, Inc. (the "Company")

WHEREAS, the Company and Executive are parties to that certain Employment Agreement dated as of September 22, 1998 (the "Employment Agreement"); and

WHEREAS, the Company and Executive desire to revise certain provisions of the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth in this Amendment, the Company and the Executive hereby agree that the Employment Agreement is hereby amended as follows:

- 1. Section 4(c) of the Employment Agreement (relating to insurance coverage for Executive) is deleted in its entirety and subsection (d) is redesignated as subsection (c).
- 2. Section 7(b) of the Employment Agreement (relating to termination without cause) is amended as follows:
- (a) the phrases "nine (9) months" in both the first and second sentences (relating to the severance payment period) shall be changed to "twelve (12) months";
- (b) the phrase "ninety (90) days" (relating to the stock option exercise period) shall be changed to "twelve (12) months"; and
- (c) the last sentence (relating to the retention of the Company's principal place of business in California) shall be deleted in its entirety
- 3. Sections 8(b) and (c) of the Employment Agreement (relating to change of control) shall be amended by changing the phrase "nine (9) months" to "twelve (12) months" both times it appears.
- 4. Section 12 of the Employment Agreement is deleted in its entirety and the following substituted in lieu thereof:
 - "12. Notices. Any notice or communication under this Agreement will be in writing and sent by registered or certified mail addressed to the respective parties as follows:

If to the Company:

Legal Counsel

ReGen Biologics, Inc.

509 Commerce Street, East Wing

Franklin Lakes, NJ 07417

If to the Executive:

Gerald E. Bisbee Jr. Ph.D. 110 Wellesley Drive New Canaan, CT 06840

All notices, requests, demands and other communications shall be deemed received three (3) days after the date postmarked if (i) delivered by hand and receipted for by the party to whom such notice or other communication shall have been directed, or (ii) sent by prepaid mail, properly addressed. Executive shall notify the Company by certified mail of any change in his address, and thereafter, the Company shall forward any notices under this Agreement to Executive at such new address."

5. The Employment Agreement is further amended by deleting "California" in Section 14 and substituting the following in lieu thereof:

"the State of Delaware, without regard to its conflicts of law provisions".

- 6. An "Exhibit A" entitled "Indemnification Agreement," shall be added to the Employment Agreement, which shall be identical to "Exhibit A" of this Amendment. Such Indemnification Agreement shall be executed by both Company and Executive simultaneously with the execution of this Amendment.
- 7. In all other respects, the Employment Agreement shall continue in full force and effect; and the parties' rights and obligations shall be governed by the terms of the Employment Agreement as modified herein. To the extent that any conflict may exist between any term or provision of this Amendment and any term or provision of the Employment Agreement, such term or provision of this Amendment shall control.

IN WITNESS WHEREOF, the parties have executed, through their duly authorized representatives, this Amendment on the Effective Date set forth above.

GERALD E. BISBEE, JR.

By: REGEN BIOLOGICS, INC.

By: Regen Biologics, Inc.

By: Sim D. Whiel:

Stror VP + CFD

Title Merch 25, 2004

Date

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EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into this 22nd day of September 1998, by and between Gerald E. Bisbee, Jr., Ph.D. (the "Executive") and ReGen Biologics, Inc. (the "Company").

WHEREAS, the Company wishes to retain the services of Executive, and

WHEREAS, the Executive desires to be employed by the Company,

NOW, THEREFORE, in consideration of the promises and mutual agreements made herein, and intending to be legally bound hereby, the Company and Executive agree as follows:

- 1. Employment Term The Company shall employ the Executive for consecutive one-year terms beginning on September 14, 1998. Either party shall have the right to terminate this Agreement by providing the other Party ninety (90) days written notice.
- 2. Employment Duties. Executive will serve as Chief Executive Officer and Chairman of the Board of Directors of the Company subject to the direction and control of the Board of Directors Executive shall be fully responsible for all facets of the Company's operations, with all of the Company's employees reporting to Executive, either directly or indirectly.

3. <u>Compensation</u>.

- (a). <u>Base Annual Salary</u>. The Company will pay Executive a base salary of \$275,000 per annum, in equal bi-weekly installments. The Compensation Committee of the Board of Directors shall review Executive's base salary on January 1, 1999, and annually thereafter during its year-end compensation review.
- (b). <u>Performance Bonus</u>. Beginning January 1, 1999, Executive may be eligible to receive a performance bonus of up to twenty-five (25) percent of his annual base salary based on his achievement of performance objectives agreed to by the Executive and Company.

4. Benefits.

(a). Executive will be entitled during the term of this Agreement to three (3) weeks paid vacation, ten (10) paid Company holidays, and sick leave benefits as provided by the Company's standard policies. Additionally, Executive shall be entitled during the term of this Agreement to (i) health and disability benefits, (ii) participation in the Company-sponsored 401(k) program, and (iii) any

other benefits that may be provided from time to time by the Company to its employees. The Company shall reimburse Executive for all reasonable (b). expenses incurred in connection with the performance of his duties under the Agreement pursuant to the Company's standard business expense reimbursement policies. The Company shall provide Executive during the term of this

- Agreement the same level of coverage of directors and officers liability insurance that the Company extends to its other officers and directors.
- The Company shall reimburse Executive for the reasonable legal (d). expenses that he incurred in connection with the drafting and execution of this Agreement. Additionally, the Company shall reimburse Executive for reasonable legal expenses up to \$5,000 that he may incur in connection with the termination of this Agreement.
- Stock Options. By Entering into this Agreement with Executive, the Company is granting Executive as of the date his employment commences options to purchase that number of shares of the Company's common stock equivalent to eight percent (8%) of the sum total (the "Total") of (i) all of the Company's issued and outstanding shares of common stock on the date hereof, plus (ii) the total number of shares of the Company's common stock issuable upon the exercise or conversion of any options, warrants, preferred stock or other securities convertible into or exchangeable for shares of the Company's common stock and which are outstanding on the date hereof, plus (iii) the total number of shares of the Company's common stock reserved for issuance as of the date hereof under any stock option plan, other employee benefit plan, contract or other agreement (such 8% of such sum Total, the "Aggregate Option Shares"). Such options shall have the following terms and conditions:
- All such options shall be granted upon employment with an exercise price of \$1.45. All options may be exercised by Executive using cash or common stock of the Company as consideration for the exercise price. Any common stock tendered to the Company in the exercise of such options shall be valued at its fair market value on the date of exercise. At the request of Executive, the Company shall assist Executive in obtaining financing (which may be provided by the Company or from other sources) the proceeds of which shall be used in the exercise of such options.
- All options shall be subject to vesting prior to exercise. Except (b). as otherwise provided herein in respect of the acceleration of vesting of any options, ten percent (10%) of the Aggregate Option Shares shall vest on the date six months

from the date of this Agreement an additional ten percent (10%) of the Aggregate Option Shares shall vest on the first anniversary date of this Agreement; and an additional twenty percent (20%) of the Aggregate Option Shares shall vest on each of the second, third, fourth and fifth anniversaries of the date of this Agreement, such that all options shall have vested by no later than the fifth anniversary hereof.

- (c). All of the options that have not previously vested shall vest upon a change of control of the Company as defined in Section 8.
- agreement with Executive reasonably acceptable to both containing customary terms and conditions contained in option agreements for senior executives of development stage companies. Such agreement shall contain all requirements necessary for Executive's options to qualify as Incentive Stock Options for federal income tax purposes to the maximum extent permitted by law. The options contemplated by this Section 5 shall be issued under the company's current 1991 and/or 1993 stock option plans. If for any reason these options cannot be granted under those plans, the Company and its Board of Directors shall immediately adopt a new stock option plan that will permit the timely grant to the Executive of the options.
- (e). The options shall expire on the date that is ten (10) years after the date of grant.

6. Commuting and Relocation Expenses.

- (a). The Company shall reimburse Executive for the cost of his commuting to its offices in California up to \$50,000 following the execution of this Agreement for up to twelve (12) months. For purposes of this Section, the Executive's reimbursable commuting expenses shall include the cost of transportation, lodging and means.
- (b). Should the Executive decide to relocate to California, where the Company is presently located, the Company shall pay all of the relocation expenses he actually incurs up to \$100,000.

7. <u>Termination</u>.

(a). For Cause. Notwithstanding any other provision of this Agreement, the Company may terminate Executive's employment for cause at any time without notice. For purposes of this Agreement, "cause" shall mean the Executive's (i) commission of an action against or in derogation of the interests of the Company which constitutes an act of fraud, dishonesty, or moral turpitude, or which, if proven in a court of law, would constitute a violation of a criminal code or

other law; (ii) divulging the Company's Confidential Information (as defined in Section 10); or (iii) material breach of any material duty or obligation imposed upon the Executive by the Company. Should the Company reasonably determine that such "cause" exists, it shall inform Executive of such "cause" and afford him thirty (30) days following his receipt of written notice of the Company's "cause" finding and the facts underlying it, to cure the "cause." Executive's cure of such "cause" shall not be unreasonably rejected by the Company. Should Executive fail to cure the "cause," and the Company terminate him pursuant to this Section 7(a), the Company's obligations under this Agreement shall cease, and except as required by applicable law, Executive shall forfeit all rights to receive any other compensation or benefits under this Agreement, except that he shall be entitled to his base salary for services rendered through the effective date of termination. Additionally, Executive shall be entitled to any vested stock options.

- (b). Without Cause. Notwithstanding any other provision of this Agreement, the Company may terminate Executive's employment and this Agreement without cause by providing Executive ninety (90) days written notice, provided that in the event of such termination, Executive shall be entitled to all vested stock options to the date of notice, which may be exercised as defined in this Agreement, and continuation of his salary and Company-paid health and other welfare benefits for nine (9) months. Additionally, any stock option that would have vested in the nine (9) months after the effective date of Executive's termination will be accelerated to, and vest on, the effective termination date. Executive's vested stock options may be exercised ninety (90) days after the effective date of his termination. In the event that the Company decides to keep its principal place of business within California, such decision shall not be deemed a termination "without cause" within the meaning of this Paragraph.
- other provision of this Agreement, should the Company materially change Executive's responsibilities, Executive may provide the Company thirty (30) days written notice of his objection to such change. The Company shall be afforded thirty (30) days from receipt of such notice to respond to and cure Executive's objection(s). Should the Company fail to restore Executive's responsibilities in full during this thirty (30) day period, Executive shall be entitled to resign and such resignation for purposes of salary and benefit continuation and vesting, shall be treated as a termination without cause as defined in Section 7(b). For purposes of this Section, a "material change in responsibility" shall mean a material change in Executive's duties or authority.

8. Termination Due to Change in Control.

(a). <u>Defined</u>. For purposes of this Agreement, a "change in control" is: (1) the purchase or other adquisition by any person, entity or syndicate group of

persons and/or entities within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended, or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13D-3 promulgated under such Act) of forty percent (40%) or more of either the outstanding shares of common stock or the combined voting power of the Company's then outstanding voting securities entitled to vote generally; (2) the approval by the stockholders of the Company of a reorganization, merger or consolidation, in each case, with respect to which persons who were stockholders of the Company immediately prior to such reorganization, merger or consolidation do not immediately thereafter, own more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated Company's then outstanding securities; (3) a liquidation or dissplution of the Company; (4) the sale of all or substantially all of the Company's assets; or (5) a change in three (3) or more members of the Board of Directors of the Company (excluding Executive) within a twelve (12) month period, which change results from a single (or related series of) shareholder vote(s).

- (b). In the event that a change in control results in an involuntary termination of Executive through elimination of his position, Executive shall be entitled to all options which have vested or are otherwise due to vest pursuant to Section 5 of this Agreement, and continuation of his salary and Company-provided health and other welfare benefits for nine (9) months as provided in Section 7(b).
- (c). In the event of Executive's termination pursuant to Section 8(b), Executive may, at his sole option, elect to receive payment of his nine (9) months salary in the form of a lump sum distribution, less applicable withholdings, which shall be payable within twenty (20) days of the effective date of his termination.
- 9. <u>Disability</u>. The Company may terminate the Executive in the event that he becomes disabled during the term of this Agreement. Executive shall be considered "disabled" within the meaning of this Section if he is unable because of accident or illness (physical or mental) to perform the material duties of his position for a period of six (6) consecutive months. Executive's termination pursuant to this Section shall be treated as a termination without cause as defined in Section 7(b).
- Agreement, Executive will have access to "Confidential Information." Executive agrees and acknowledges that this Confidential Information constitutes a valuable and unique asset of the Company and that its protection is of critical importance to the Company. To ensure that such Confidential Information is not disclosed or divulged to third persons, Executive agrees:
- (a). that Confidential Information is owned by the Company and is to be held by Executive in trust and solely for the benefit of the Company;

- (b). that he shall not in any way utilize such Confidential Information for the gain or advantage of Executive or others to the detriment of the Company; and
- (c). that upon termination of this Agreement, he shall promptly return any and all such Confidential Information to the Company and shall continue to abide by the confidentiality provisions of this Section.

For purposes of this Agreement, "Confidential Information" shall include, but not be limited to, information that has been created, discovered, developed or otherwise become known to the Company and/or in which property rights have been assigned or otherwise conveyed to the Company, which information has commercial value in the business in which the Company is or may become engaged. By way of illustration, but not limitation, Confidential Information includes trade secrets, processes, structures, formulas data and know-how, improvements, inventions, product concepts, techniques, marketing plans, strategies, forecasts, customer lists and information about the Company's employees, and/or consultants.

Executive further agrees that he will execute a mutually agreeable proprietary information and invention agreement as a condition of his employment.

11. Non-Solicitation.

- (a). Executive agrees that during the term of this Agreement and for a nine (9) month period following his receipt of notice of his termination under this Agreement, he will not, directly or indirectly, without the prior written consent of the Company, solicit or attempt to solicit business from any individual or entity that was a customer of the Company at any time during the six (6) month period immediately prior to Executive's termination of employment with the Company.
- (b). Executive agrees that during the term of this Agreement and for a nine (9) month period following his receipt of notice of termination under this Agreement, he will not, directly or indirectly, without the prior written consent of the Company, solicit or induce any employee of the Company to leave the employ of the Company or hire for any purpose any employee of the Company.
- 12. <u>Notices</u>. Any notice or communication under this Agreement will be in writing and sent by registered or certified mail addressed to the respective parties as follows:

If to the Company:

General Counsel ReGen Biologics, Inc. 545 Penobscor Drive Redwood City, CA 94063 If to the Executive:

Gerald E. Bisbee, Jr., Ph.D. 110 Wellesley Drive New Canaan, CT 06840

Executive shall notify the Company by certified mail of any change in his address, and thereafter, the Company shall forward any notices under this Agreement to Executive at such new address.

- Entire Agreement | This Agreement embodies the entire agreement of 13. the Parties relating to Executive's employment and supersedes all prior agreements, oral or written. No amendment or modification of this Agreement shall be valid or enforceable unless made in writing and signed by the Parties.
- Governing Law. This Agreement shall be governed and construed in accordance with the laws of California.
- Severability. Should one or more of the provisions of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, such provisions or portions thereof shall be ineffective only to the extent of such invalidity or unenforceability, and the remaining provisions of this Agreement or portions thereof shall nevertheless be valid, enforceable and remain in full force and effect.

Date

1538272

By: J. Richard Steadman, Co-Chairman

September 22 1998

Date

Exhibit A Indemnification Agreement

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this "Agreement") is made as of the 1st day of May, 2004, by and between ReGen Biologics, Inc., a Delaware corporation (the "Corporation"), and Gerald E. Bisbee, Jr. ("Indemnitee"), a director and/or officer of the Corporation or of a subsidiary of the Corporation.

RECITALS

- A. It is essential to the Conforation to retain and attract as directors and officers of the Corporation and of every subsidiate the most capable persons available.
- B. The substantial increase in corporate litigation subjects directors and officers to expensive litigation risks at the same that the availability of directors' and officers' liability insurance has been severely limited.
- C. It is the express policy of the Corporation to indemnify directors and certain officers of the Corporation and its sub diaries so as to provide them with the maximum possible protection permitted by law.
- D. Indemnitee does not report the protection available under the Delaware General Corporation Law or the Bylaws of the Corporation and its subsidiaries as adequate in the present circumstances, and may not be willing to serve as a director or officer without adequate protection, and the Corporation desires indemnitee to serve in such capacity.

AGREEMENTS

NOW, THEREFORE, the Corporation and Indemnitee do hereby agree as follows:

- 1. <u>Agreement to Serve</u>. Indemnitee agrees to serve or continue to serve as a director and/or an officer of the Corporation and/or its subsidiaries for so long as he is duly elected or appointed or until such time as he tenders his resignation in writing.
 - 2. <u>Definitions</u>. As used in this Agreement:
- (a) The term "Proceeding" shall include any threatened, pending or completed action, suit, investigation or proceeding, and any appeal thereof, whether brought by or in the right of the Corporation or its subsidiary or otherwise and whether civil, criminal, administrative or investigative, and/or any inquiry or investigation, in which Indemnitee may be or may have been involved as a party or otherwise, or that Indemnitee in good faith believes might lead to the institution of any such proceeding, by reason of the fact that Indemnitee is or was a director or officer of the Corporation, by reason of any action taken by him or of any inaction on his part while acting as such a director or officer, or by reason of the fact that he is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification or reimbursement can be provided under this Agreement.

- (b) The term "Expenses" shall include, without limitation, expenses, costs and obligations, paid or incurred, of investigations, judicial or administrative proceedings or appeals, amounts paid in settlement by or on behalf of Indemnitee, attorneys' fees and disbursements and any expenses reasonably and actually incurred in establishing a right to indemnification under Section 8 of this Agreement, including, without limitation, those incurred in investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend with respect to any claim, issue or may be relating thereto or in connection therewith, but shall not include the amount of judgments, fine or penalties against Indemnitee.
- (c) A "Change in Control" shall be deemed to have occurred if, after the date hereof, there is any transaction or series of transactions within any twelve (12)-month period, including, without limitation, a merge consolidation or exchange of securities, in which the holders of all of the Corporation's outstanding voting securities immediately prior to the consummation of such transaction or the first transaction of such series of transactions do not own, directly or indirectly, a majority of the combined voting power of the Corporation's outstanding securities upon consummation of such transaction or series of such transactions.
- (d) The term "Independent Legal Counsel" shall include any attorney or firm of attorneys, selected in accordance with Section 5 hereof, who shall not have otherwise performed services for the Corporation or Indemnitee within the five years prior to the date of selection (other than with respect to matters concerning the rights of Indemnitee under this Agreement, or of other Indemnitees under similar indemnification agreements).
- (e) References to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation or its subsidiaries which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Agreement.
- 3. <u>Indemnity in Third-Party Proceedings</u>. The Corporation shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is a party to or threatened to be made a party to any Proceeding (other than a Proceeding by or in the right of the Corporation or any subsidiary of the Corporation to procure a judgment in its favor) by reason of the fact that Indemnitee is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against all Expenses, judgments, fines and penalties actually and reasonably incurred by Indemnitee in connection with the defense or settlement of such Proceeding, but only if he acted in good faith and in a manner which he reasonably believed to be (in the case of conduct in his official capacity) in the best interests of the Corporation or (in all other cases) not opposed to the best interests of the Corporation, and, in the case of a criminal action or proceeding, in addition, had no reasonable cause to believe that his conduct was unlawful. The termination of any such Proceeding by judgment, order of court, settlement, conviction, or upon a plea of nolo contendere, or its equivalent, shall not, of itself,

create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation (or that Indemnitee did not meet any other particular standard of conduct or have any other particular belief or that a court has determined that indemnification is not permitted by applicable law), and with respect to any criminal proceeding, that such person had reasonable cause to believe that his conduct was unlawful.

- Indemnitee in Proceedings by or in the Right of the Corporation. The Corporation 4. shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is a party to or threatened to be made a party to any Proceeding by or in the right of the Corporation or any subsidiary of the Corporation () rocure a judgment in its favor by reason of the fact that Indemnitee is or was a director or offi of the Corporation or any subsidiary of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against all Expenses actually and reasonably incurred by Indemnitee in connection with the defense or settlement of such Proceeding, but only if he acted in good faith and in a manner which he reasonably believed to be (in the case of conduct in his official capacity) in the best interests of the Corporation or (in all other cases) not opposed to the best interests of the Corporation, except that no indemnification for Expenses shall be made under this Section 4, in respect of any Proceeding as to which Indemnitee shall have been adjudged to be liable to the Corporation, unless and only to the extent that any court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper. Notwithstanding the foregoing, Indemnitee shall have no right to indemnification for Expenses and the payment of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended.
- Control, and with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnification and payment of Expenses under this Agreement or any other agreement to which the Corporation and Indemnitee are parties or the Bylaws of the Corporation or its subsidiary as hereafter in effect relating to indemnification of directors and/or officers of the Corporation or such subsidiary, the Corporation shall seek legal advice only from the Independent Legal Counsel selected by Indemnitee and approved by the Corporation (which approval shall not be unreasonably withheld). Such counsel, among other things, shall render its written opinion to the Corporation and Indemnitee as to whether and to what extent Indemnitee would be permitted to be indemnified under applicable law. The Corporation agrees to pay the reasonable fees of the Independent Legal Counsel referred to above and to indemnify fully such counsel against any and all expenses (including attorney's fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.
- 6. <u>Indemnification Prohibied</u>. Notwithstanding the provisions of Sections 3 and 4, no indemnification shall be made in connection with any Proceeding charging improper personal benefit to Indemnitee, whether or not is volving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

- 7. <u>Indemnification of Expenses of Successful Party</u>. Notwithstanding any other provision of this Agreement whatsoever, to the extent that Indemnitee has been successful on the merits or otherwise (including a settlement) in defense of any Proceeding or in defense of any claim, issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses reasonably and actually incurred in connection therewith.
- 8. Advances of Expenses Expenses incurred by Indemnitee pursuant to Sections 3 and 4 in any Proceeding shall be paid by the Corporation in advance as soon as practicable but not later than five (5) business days after receipt of the written request of Indemnitee, provided that Indemnitee shall (i) affirm in such written request that he acted in good faith and in a manner which he reasonably believed to be (in the case of conduct in his official capacity) in the best interests of the Corporation or (in all calier cases) not opposed to the best interests of the Corporation and (ii) undertake to repart such amount to the extent that it is ultimately determined that Indemnitee is not entitled to independ and further provided that a determination has been made that the facts then known would not preclude indemnification pursuant to the terms of this Agreement.
- 9. Right of Indemnitee to Indemnification Upon Application; Procedure Upon Application.
- (a) Any indemnification under Sections 3 and 4 shall be made as soon as practicable but in any event no later than five (5) business days after receipt by the Corporation of the written request of Indemnitee.
- shall be enforceable by Indemnitee in any court of competent jurisdiction. The burden of proving that indemnification or advances are not appropriate shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or stockholders) to have made a determination prior to the commencement of such action that indemnification or advances are proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or stockholders) that Indemnitee has not met such applicable standard conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct. Indemnitee's expenses reasonably incurred in connection with successfully establishing Indemnitee's right to indemnification or advances, in whole or in part, in any such Proceeding shall also be indemnified by the Corporation.
- (c) The Corporation shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, Bylaw or otherwise) of the amounts otherwise indemnifiable.

10. Indemnification Hereunder Not Exclusive.

(a) Notwithstanding thy other provision of this Agreement, the Corporation hereby agrees to indemnify Indemnited by the full extent permitted by law, whether or not such

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indemnification is specifically authorized by the other provisions of this Agreement, the Corporation's Certificate of Incorporation, the Bylaws, or by statute. In the event of any changes, after the date of this Agreement, in any applicable law, statute, or rule which expand the right of a Delaware corporation to independent and a member of its board of directors or any officer, such changes shall be, ipso facto, within the purview of Indemnitee's rights, and Corporation's obligations, under this Agreement. In the event of any changes in any applicable law, statute, or rule which narrow the right of a Delaware corporation to indemnify a member of its board of directors or any officer, such changes, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder.

- (b) The indemnification provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under the Certificate of Incorporation, the Bylaws, any agreement, any vote of shareholders or disinterested directors, the laws of the State of Delaware, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.
- Agreement to indemnification by the Corporation for some or a portion of the Expenses, judgments, fines or penalties actually and reasonably incurred by him in the investigation, defense, appeal or settlement of any Proceeding but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion of such Expenses, judgments, fines or penalties to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all claims, issues or matters relating in whole or in part to an indemnifiable event, occurrence or matter hereunder, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses incurred in connection with such defenses.
- 12. <u>Effect of Federal Law</u>. Both the Corporation and Indemnitee acknowledge that in certain instances, federal law will override Delaware law and prohibit the Corporation from indemnifying its officers and directors. For example, the Corporation and Indemnitee acknowledge that the Securities and Exchange Commission has taken the position that indemnification is not permissible for liabilities arising under certain federal securities laws, and federal law prohibits indemnification for certain violations of the Employee Retirement Income Security Act.

13. <u>Liability Insurance</u>.

(a) The Corporation shall use its best efforts to obtain and maintain a directors' and officers' liability insurance policy with a reputable insurance company with substantially the same policy limit and deductible, and on substantially the same terms and conditions, as Admiral Insurance Company and Hooghuis, Inc. Policies Nos. 1359412 and 0303151262103 maintained by the Corporation as of the date hereof (the "Current Policy"); provided that, if the annual premium for such a policy exceeds \$250,000 (the "Maximum Premium"), the Corporation shall use its best efforts to obtain and maintain a directors' and officers' liability insurance policy with a reputable insurance company with the highest policy

limit available for the Maximum Premium and with substantially the same deductible and otherwise on substantially the same terms and conditions as the Current Policy.

- Indemnitee her by releases the Corporation and its respective authorized representatives from any claims for in temnification hereunder if and to the extent that Indemnitee receives proceeds from any liability insurance policy or other third-party source in payment or reimbursement for such claims. Indemnitee hereby agrees to assign all proceeds Indemnitee receives under any such in urance policy or third-party agreement to the extent of the amount of indemnification made to Incemnitee under the terms of this Agreement. Finally, to the extent that Indemnitee is responsible, directly or indirectly, for obtaining and maintaining any such insurance policy or third-party agreement, or otherwise is in a position to establish the terms of such insurance policy or third-party agreement, Indemnitee shall cause each such insurance policy or other third-party agreement by which Indemnitee may be entitled to payment or reimbursement to provide that the insulance company or the third-party agreement by which Indemnitee may be entitled to paymen or reimbursement to provide that the insurance company or the third party waives all right of recovery by way of subrogation against the Corporation in connection with any claim for indemnia cation under this Agreement. If such waiver of subrogation cannot be obtained except ith the payment of additional sums in premiums or otherwise, Indemnitee shall notify the opporation of this fact. The Corporation shall then have five (5) business days after receiving such notice to agree to pay such additional sums. If a waiver of subrogation rights is not obtainable at any price or if the Corporation shall fail to agree to pay such additional sums, Indemnitee shall be relieved of the obligation to obtain the waiver of subrogation rights with respect to any particular insurance policy or third-party agreement.
- 14. Saving Clause. Nothing in this Agreement is intended to require or shall be construed as requiring the Corporation to do or fail to do any act in violation of applicable law. The provisions of this Agreement (including any provision within a single section, paragraph or sentence) shall be severable in accordance with this Section 14. If this Agreement or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, the Corporation shall nevertheless indemnify Indemnitee as to Expenses, judgments, fines and penalties with respect to any Proceeding to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated or by any other applicable law, and this Agreement shall remain enforceable to the fullest extent permitted by law.
- under this Agreement, give to the Corporation notice in writing as soon as practicable of any claim made against him for which indemnity will or could be sought under this Agreement.

 Notice to the Corporation shall be directed to Regen Biologics, Inc., 509 Commerce Street, East Wing, Franklin Lakes, NJ 07417, Attention: President (or such other address as the Corporation shall designate in writing to Indemnitee), together with a copy thereof to Shaw Pittman LLP, 1650 Tysons Blvd., McLean, VA 22102, Attention: David C. Main, Esq. All notices, requests, demands and other communications shall be deemed received (i) upon delivery if delivered by hand and receipted for by the party to whom such notice or other communication shall have been directed, or (ii) three (3) business days after the date postmarked if sent by prepaid mail, properly addressed. In addition, Indemnitee shall give the Corporation such information and cooperation as it may reasonably require and shall be within Indemnitee's power.

- 16. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall constitute the original.
- 17. <u>Applicable Law</u>. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware without giving effect to its rules of conflicts of laws.
- 18. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns (including any direct or indirect successors by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Corporation), spouses, heirs, and personal and legal representatives. The Corporation shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Corporation, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as a director and/or officer of the Corporation or of any other enterprise.
- 19. Attorneys' Fees. In the event that any action is instituted by Indemnitee under this Agreement to enforce or interpret any of the terms hereof, Indemnitee shall be entitled to be paid all court costs and expenses, including reasonable attorneys' fees and disbursements, incurred by Indemnitee with respect to such action, unless as a part of such action, the court of competent jurisdiction determines that each of the material assertions made by Indemnitee as a basis for such action were not made in good faith or were frivolous. In the event of an action instituted by or in the name of the Corporation under this Agreement or to enforce or interpret any of the terms of this Agreement, Indemnitee shall be entitled to be paid all court costs and expenses, including attorneys' fees and disbursements, incurred by Indemnitee in defense of such action (including with respect to Indemnitee's counterclaims and crossclaims made in such action), unless as a part of such action the court determines that each of Indemnitee's material defenses to such action were made in bad faith or were frivolous.
- 20. <u>Subsequent Instruments and Acts</u>. The parties hereto agree that they will execute any further instrument and perform any acts that may become necessary from time to time to carry out the terms of this Agreement.
- 21. <u>Limitations Period</u>. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Corporation or any affiliate of the Corporation against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Corporation or its affiliates shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action such shorter period shall govern.

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be duly executed and signed as of the day and year first above written.

REGEN BIOLOGICS, INC., a Delaware corporation:

... /(/

Name: 16

Title: Zno-Via- Costlenty CFC

INDEMNITEE:

Name: