

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 under the Securities Exchange Act of 1934**

For the month of October 2018

Commission File Number 001-37626

Mesoblast Limited

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Australia

(Jurisdiction of incorporation or organization)

Silviu Itescu

Chief Executive Officer and Executive Director

Level 38

55 Collins Street

Melbourne 3000

Australia

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

INFORMATION CONTAINED ON THIS REPORT ON FORM 6-K

On October 31, 2018, Mesoblast Limited filed with the Australian Securities Exchange a quarterly report for entities admitted on the basis of Commitments (Appendix 4C) for the quarter ended September 30 2018, which is attached hereto as [Exhibit 99.1](#), and is incorporated herein by reference.

On October 30, 2018, Mesoblast Limited filed with the Australian Securities Exchange its Corporate Governance Statement and Appendix 4G, which is attached hereto as [Exhibit 99.2](#), and is incorporated herein by reference.

On October 30, 2018, Mesoblast Limited filed with the Australian Securities Exchange a Notice of Annual General Meeting, which is attached hereto as [Exhibit 99.3](#), and is incorporated herein by reference.

On October 25, 2018, Mesoblast Limited filed with the Australian Securities Exchange a new release announcement, which is attached hereto as [Exhibit 99.4](#), and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly organized.

MESOBLAST LIMITED

/s/ Charlie Harrison

Charlie Harrison
Company Secretary

Dated: November 7, 2018

INDEX TO EXHIBITS

| <u>Item</u> | |
|-------------|---|
| 99.1 | Appendix 4C of Mesoblast Ltd, dated October 31, 2018 |
| 99.2 | Corporate Governance Statement and Appendix 4G of Mesoblast Ltd, dated October 30, 2018 |
| 99.3 | Notice of Annual General Meeting of Mesoblast Ltd, dated October 30, 2018 |
| 99.4 | Press release of Mesoblast Ltd, dated October 25, 2018 |

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Mesoblast Limited

ABN

68 109 431 870

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows

| | Current quarter US\$ '000 | Year to date (3 months) US\$ '000 |
|---|------------------------------|---|
| 1 Cash flows from operating activities | | |
| 1.1 Receipts from customers | 1,595 | 1,595 |
| 1.2 Payments for: | | |
| (a) research and development | (12,639) | (12,639) |
| - includes the costs of the three Tier 1 Phase 3 programs in advanced chronic heart failure, chronic low back pain and acute graft vs host disease. | | |
| (b) manufacturing commercialisation | (3,891) | (3,891) |
| (c) advertising and marketing | — | — |
| (d) leased assets | — | — |
| (e) staff costs | (2,127) | (2,127) |
| (f) other expenses from ordinary activities | (2,848) | (2,848) |
| (g) other: | | |
| - intellectual property portfolio expenses | (534) | (534) |
| 1.3 Dividends received (see note 3) | — | — |
| 1.4 Interest received | 136 | 136 |
| 1.5 Interest and other costs of finance paid | (887) | (887) |
| 1.6 Income taxes paid | (3) | (3) |
| 1.7 Government grants and tax incentives | 1,654 | 1,654 |
| 1.8 Other (provide details if material) | — | — |
| 1.9 Net cash from / (used in) operating activities | (19,544) | (19,544) |

| | Current quarter US\$ '000 | Year to date (3 months) US\$ '000 |
|---|------------------------------|---|
| 2 Cash flows from investing activities | | |
| 2.1 Payment to acquire: | | |
| (a) property, plant and equipment | (39) | (39) |
| (b) businesses (see item 10) | — | — |
| (c) investments | — | — |
| (d) intellectual property | — | — |
| (e) other non-current assets | — | — |
| 2.2 Proceeds from disposal of: | | |
| (a) property, plant and equipment | — | — |
| (b) businesses (see item 10) | — | — |
| (c) investments | — | — |
| (d) intellectual property | — | — |
| (e) other non-current assets | — | — |
| 2.3 Cash flows from loans to other entities | — | — |
| 2.4 Dividends received (see note 3) | — | — |
| 2.5 Other (provide details if material) | — | — |
| (a) Payments for contingent consideration | — | — |
| 2.6 Net cash from / (used in) investing activities | (39) | (39) |
| | | |
| | Current quarter US\$ '000 | Year to date (3 months) US\$ '000 |
| 3 Cash flows related to financing activities | | |
| 3.1 Proceeds from issues of shares | 10,048 | 10,048 |
| 3.2 Proceeds from issue of convertible notes | — | — |
| 3.3 Proceeds from exercise of share options | — | — |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | (358) | (358) |
| 3.5 Proceeds from borrowings | 28,950 | 28,950 |
| 3.6 Repayment of borrowings | — | — |
| 3.7 Transaction costs related to loans and borrowings | (1,534) | (1,534) |
| 3.8 Dividends paid | — | — |
| 3.9 Other (provide details if material) | — | — |
| 3.10 Net cash from / (used in) financing activities | 37,106 | 37,106 |
| | | |
| | Current quarter US\$ '000 | Year to date (3 months) US\$ '000 |
| 4 Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of quarter/year to date | 37,763 | 37,763 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (19,544) | (19,544) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (39) | (39) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | 37,106 | 37,106 |
| 4.5 Effect of movement in exchange rates on cash held | (143) | (143) |
| 4.6 Cash and cash equivalents at end of quarter | 55,143* | 55,143* |

* *Additionally US\$40.0 million in gross cash proceeds were received from Tasly Pharmaceutical Group on October 11, 2018 pursuant to a Development and Commercialization Agreement (US\$20.0m) and an Investment Agreement (US\$20.0m) signed on July 17, 2018.

+ See chapter 19 for defined terms.

| | Current quarter US\$ '000 | Previous quarter US\$ '000 |
|---|------------------------------|-------------------------------|
| 5 Reconciliation of cash and cash equivalents | | |
| at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | | |
| 5.1 Bank balances | 54,611 | 37,221 |
| 5.2 Call deposits | 99 | 99 |
| 5.3 Bank overdrafts | — | — |
| 5.4 Other (Term deposits) | 433 | 443 |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 55,143* | 37,763 |

*Additionally US\$40.0 million in gross cash proceeds were received from Tasly Pharmaceutical Group on October 11, 2018 pursuant to a Development and Commercialization Agreement (US\$20.0m) and an Investment Agreement (US\$20.0m) signed on July 17, 2018..

| | Current quarter US\$ '000 |
|--|------------------------------|
| 6 Payments to directors of the entity and their associates | |
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 395 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | — |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |
| <i>Payment to directors (for the current quarter) = \$395,000</i> | |

| | Current quarter US\$ '000 |
|--|------------------------------|
| 7 Payments to related entities of the entity and their associates | |
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | — |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | — |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

+ See chapter 19 for defined terms.

| | Total facility amount at quarter end US\$ '000 | Amount drawn at quarter end US\$ '000 |
|------------|--|---|
| 8 | Financing facilities available | |
| | Add notes as necessary for an understanding of the position | |
| 8.1 | 115,000* | 65,000* |
| 8.2 | — | — |
| 8.3 | — | — |
| 8.4 | Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | |
| | *Loan facility with Hercules Capital, Inc. | |
| | <i>On March 6, 2018, Mesoblast entered into a Loan and Security Agreement with Hercules Capital, Inc. ("Hercules Capital") for a US\$75.0 million secured four-year credit facility. Mesoblast drew the first tranche of US\$35.0 million on closing. An additional US\$15.0 million may be drawn during Q4 CY2018, and a further US\$25.0 million may be drawn prior to or during Q3 CY2019, in each case as certain milestones are met.</i> | |
| | <i>At closing date, the interest rate was 9.45%. On September 27, 2018, in line with the increase in the U.S. prime rate, the interest rate on the loan increased to 10.20%.</i> | |
| | <i>Loan facility with NovaQuest Capital Management, L.L.C.</i> | |
| | <i>On June 29, 2018, Mesoblast entered into a Loan and Security Agreement with NovaQuest Capital Management, L.L.C. ("NovaQuest") for a non-dilutive US\$40.0 million secured eight-year term loan. Mesoblast drew the first tranche of US\$30.0 million of the loan on closing. An additional US\$10.0 million from the loan will be drawn on marketing approval of remestemcel-L by the United States Food and Drug Administration (FDA).</i> | |
| | <i>Prior to maturity in July 2026, the loan is only repayable from net sales of remestemcel-L (MSC-100-IV) in the treatment of pediatric patients who have failed to respond to steroid treatment for acute Graft versus Host Disease (aGvHD), in the United States and other geographies excluding Asia. Interest on the loan will accrue at a rate of 15% per annum with the interest only period lasting 4 years. Interest payments will be deferred until after the first commercial sale. The financing is subordinated to the senior creditor, Hercules Capital.</i> | |
| | | US\$ '000 |
| 9 | Estimated cash outflows for next quarter | |
| 9.1 | | (14,252) |
| 9.2 | | (3,114) |
| 9.3 | | — |
| 9.4 | | — |
| 9.5 | | (3,449) |
| 9.6 | | (2,678) |
| 9.7 | | |
| | | (547) |
| | | (896) |
| 9.8 | | (24,936)* |

* Mesoblast cash and cash equivalents will be augmented by the following receipts:

- US\$40.0 million from completion of a strategic cardiovascular alliance with Tasly Pharmaceutical Group;
- €5.0 million payment to be received within 12 months from the December 2017 patent license agreement from Takeda Pharmaceutical Company Ltd for product Alofisel®;
- royalty and milestone receipts earned on sales of TEMCELL® HS Inj.1 in Japan; and

+ See chapter 19 for defined terms.

- interest income receipts.

On October 12, 2018 we announced the completion of a strategic cardiovascular alliance with Tasly Pharmaceutical Group in China. On October 11, 2018, we received gross cash proceeds of US\$40.0 million, comprising an upfront technology access fee of US\$20.0 million and a US\$20.0 million share issuance.

Mesoblast is in advanced negotiations with selected pharmaceutical companies with respect to potential partnering of certain Tier 1 product candidates. Mesoblast does not make any representation or give any assurance that such a partnering transaction will be concluded.

Up to an additional US\$50.0 million is available to Mesoblast, subject to achievement of certain milestones, under the financing arrangements with Hercules Capital and NovaQuest. Refer to 8.4 for further details.

Mesoblast established an equity facility in 2016 with Kentgrove Capital for up to A\$120 million/US\$90 million over the next 9 months to be used at its discretion to provide additional funds as required.

† TEMCELL HS. Inj. is a registered trademark of JCR Pharmaceuticals Co. Ltd.

| 10 | Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | Acquisitions US\$ '000 | Disposals US\$ '000 |
|------|--|---------------------------|------------------------|
| 10.1 | Name of entity | — | — |
| 10.2 | Place of incorporation or registration | — | — |
| 10.3 | Consideration for acquisition or disposal | — | — |
| 10.4 | Total net assets | — | — |
| 10.5 | Nature of business | — | — |

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here: /s/ Charlie Harrison Date: 31 October 2018
(Company Secretary)

Print name: Charlie Harrison

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

+ See chapter 19 for defined terms.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

+ See chapter 19 for defined terms.

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Mesoblast Limited

ABN / ARBN

109 431 870

Financial year ended:

30 June 2018

Our corporate governance statement² for the above period above can be found at:³

- These pages of our annual report:
- This URL on our website: www.mesoblast.com/company/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 30 October 2018 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 30 October 2018

Name of Director or Secretary authorising
lodgement: Charlie Harrison

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

+ See chapter 19 for defined terms
2 November 2015

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management, and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at: www.mesoklast.com/company/corporate-governance/role-and-composition-of-the-board | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director, and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|--|---|
| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at [insert location]</p> <p>www.mesoblast.com/images/pdf/DiversityPolicy.pdf</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

⁴ See chapter 19 for defined terms
2 November 2015

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|---|--|---|---|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors, and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at</p> <p>www.mesoblast.com/company/corporate-governance/board-committees-and-charters</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

⁴ See chapter 19 for defined terms
2 November 2015

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|--|---|--|--|
| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion, and (c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

⁴ See chapter 19 for defined terms
2 November 2015

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|--|---|---|
| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | |
| <p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at</p> <p>www.mesoblast.com/company/corporate-governance/board-committees-and-charters</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| <p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

+ See chapter 19 for defined terms
2 November 2015

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules, and (b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | ... information about us and our governance on our website: <input checked="" type="checkbox"/> at: www.mesoblast.com/company/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | ... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

⁴ See chapter 19 for defined terms
2 November 2015

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|--|--|--|---|
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a).]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at:</p> <p>www.mesoblast.com/company/corporate-governance/board-committees-and-charters</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b).]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound.</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

⁴ See chapter 19 for defined terms
2 November 2015

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| 7.3 | A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | <p>[If the entity complies with paragraph (a).] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b).] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]</p> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | <p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]</p> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

⁴ See chapter 19 for defined terms
2 November 2015

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|--|--|--|---|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors, and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a).]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement QR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at:</p> <p>www.mesoblast.com/company/corporate-governance/board-committees-and-charters</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement QR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b).]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement QR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement QR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement QR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement QR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

⁴ See chapter 19 for defined terms
2 November 2015

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|--|---|---|---|
| 8.3 | A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and (b) disclose that policy or a summary of it. | ... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | ... the information referred to in paragraphs (a) and (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| - | <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager. | ... the terms governing our remuneration as manager of the entity: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

⁴ See chapter 19 for defined terms
2 November 2015

Corporate Governance Statement

Mesoblast Limited (the **Company** or **Mesoblast**) and its Board of Directors (the **Board**) are committed to implementing and achieving an effective corporate governance framework to ensure that the Company is managed effectively and in an honest and ethical way.

A description of the Company and its controlled entities' (together, the **Group**) corporate governance practices are set out below. All of these practices, unless otherwise stated, were in practice for the entire year and are in compliance with the ASX Corporate Governance Principles and Recommendations, third edition (the **ASXCGPR**). The following report is structured to align with the principles set out in the ASXCGPR.

The information in this statement is current as at 30 October 2018 and has been approved by the Board. This statement includes cross references to the Company's charters, policies and codes, relevant copies or summaries of which are available in the Corporate Governance section of the Company's website, www.mesoblast.com. Further, this statement should be read in conjunction with the Directors' Report, the Remuneration Report and the Financial Report for the financial year ended 30 June 2018 as these reports also contain information required to be included by the ASXCGPR. The Directors' Report can be found at Part 1 on the Form 20-F contained within our Annual Report (principally Item 4.B and Item 5.A), the Remuneration Report can be found at Item 6 of the Form 20-F contained within the 2018 Annual Report, and the Financial Report can be found at Item 18 of Form 20-F contained within the 2018 Annual Report.

PRINCIPLE 1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

ROLE OF THE BOARD

The Board of Directors is primarily responsible for setting the strategic direction and corporate governance of the Group, and for overseeing the management and operations of the Group. In particular, the principal roles and responsibilities of the Board are to:

- facilitate accountability to the Group and its shareholders;
- ensure timely reporting to shareholders;
- provide strategic guidance to management including contributing to the development and review of the corporate strategy;

- oversee management of the Group and ensure there are effective management processes in place;
 - appoint, if necessary remove, and monitor the performance of the Chief Executive;
 - monitor:
 - organizational performance and the achievement of the Group's strategic goals and objectives;
 - financial performance including approval of the annual, half-year and quarterly financial reports and liaison with the Company's auditors;
 - progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments;
 - compliance with the Group's corporate governance policies and procedures;
 - progress in relation to the Group's diversity objectives and compliance with its diversity policy;
 - review and approve business plans, the annual budget and financial plans including available resources and major capital raising or expenditure initiatives;
 - approve major corporate initiatives;
 - enhance and protect the reputation of the Group;
 - oversee the operation of the Group's system for compliance and risk management; and
 - ensure appropriate resources are available to senior management.
- The Board operates in accordance with the broad principles set out in its charter, which provides a framework for its effective operation. The charter specifically addresses the following:
- role, authority and responsibilities of the Board;
 - Board committees;
 - composition of the Board and the election of the Chair;

- Directors' rights and duties;
- responsibilities of and delegations to management;
- performance of the Board; and
- role of the Company Secretary.

A summary of the charter is available at www.mesoblast.com.

BOARD SUB-COMMITTEES

The Board has delegated specific authority to two sub-committees. These committees are the Audit and Risk Committee and the Nomination and Remuneration Committee. The Company previously had a separate Science and Technology Committee but it has been determined that it is appropriate that the function of this Committee (reviewing the Company's strategic direction and investment with regard to research and development and technology) be retained within the Board as a whole.

Further details on the Nomination and Remuneration Committee and Audit and Risk Committee are at Principle 2 and Principle 4 of this statement, respectively.

ROLE OF MANAGEMENT

Day to day management of the Group's operations and the implementation of the corporate strategy and policy initiatives are delegated by the Board to the Chief Executive and the executive team.

Specific limits of authority delegated to the Chief Executive and senior executive team are outlined in a formal delegation of authority policy, which has been approved by the Board.

DIRECTOR SELECTION AND APPOINTMENT

The Company conducts appropriate checks before it appoints a person or puts forward to shareholders a new candidate for election as a Director. These include checks as to the person's character, experience, education, criminal record, bankruptcy history, probity and any other relevant matters.

The Company also provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director in the notice of meeting provided to shareholders. This includes information relevant for shareholders to be able to assess the Director's skills and competencies, industry experience, time commitments and other relevant information in their consideration of that election. Directors eligible for election are also invited to address the meeting and provide details of the relevant qualifications, experience and skills they will bring to the Board.

Formal letters of appointment are issued to all incoming new Directors setting out the Company's expectations, their responsibilities and rights and the terms and conditions of their engagement.

COMPANY SECRETARY

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary assists the Board in its effectiveness by ensuring that Board policy and procedures are followed and coordinating the timely completion and dispatch of the Board agenda and supporting papers.

The Directors have direct access to the Company Secretary and regularly communicate through email, by telephone and in in-person meetings.

DIVERSITY

The Group values diversity and recognizes the benefits it can bring to the organization's ability to achieve its goals. Diversity can lead to a competitive advantage through broadening the talent pool for recruitment of high quality employees, by encouraging innovation and improving a corporation's professionalism and reputation. Accordingly, the Group is committed to promoting diversity within the organization and has adopted a formal policy outlining the Group's diversity objectives. It includes requirements for the Board to establish measurable objectives for achieving diversity and for the Board to annually assess the objectives, and the Group's progress in achieving these objectives.

A copy of the diversity policy is available at www.mesoblast.com.

With respect to gender diversity, the Group has set the following objectives:

- 1) aim to increase the number of women on the Board of Directors as vacancies arise and circumstances permit;
- 2) aim to increase the number of women who hold senior executive positions as vacancies arise and circumstances permit; and
- 3) ensure the opportunity exists for equal gender participation in all levels of professional development programs.

The following table reports the Group's progress towards achieving its gender diversity objectives for points one and two above. In regard to point three, the Group did ensure that an equal opportunity existed for gender participation in all levels of professional development programs during the year. For completeness, as at 30 June 2018 the Company had 80 employees, of which 47 (59%) were female.

| Category | Number of women as at 30 June 2018 | Number of women as at 30 June 2017 | Increase/ (Decrease) |
|--------------------------------|------------------------------------|------------------------------------|----------------------|
| – on the Board of Directors* | – | – | – |
| – Senior executive positions** | 4 | 3 | 1 |

* Ms Shawn Cline Tomasello was appointed to the Board on 11 July 2018 so as of the date of this report, the Company has one female director.

** A senior executive position is one held by an executive who reports directly to the Chief Executive.

The Board has delegated the responsibility for reviewing and reporting on diversity, specifically gender diversity, to the Nomination and Remuneration Committee.

BOARD PERFORMANCE EVALUATION

The performance of the Board is reviewed periodically. A copy of the Group's performance evaluation process for the Board, its committees, individual Directors and senior management is available at www.mesoblast.com. A Board evaluation process including an evaluation of individual non-executives and the Board committees was undertaken during the 2018 financial year. This review encompassed feedback on the Chair and individual non-executive Directors as well as consideration of Board succession planning, diversity, and the breadth and sufficiency of skills represented on the Board. At that time, the results confirmed that the Board continues to function in an appropriate manner. Results of the review were reported back to the Board.

The Board also carries out informal performance monitoring sessions at each in-person meeting of the Board. In addition, Directors are encouraged to raise any issues of concern regarding the performance of the Board, Board committees or individual Directors with the Chair, or if the concern relates to the Chair, with the Chair of the Audit and Risk Committee.

SENIOR EXECUTIVE PERFORMANCE EVALUATION

The process for assessing performance of the Chief Executive and the senior executive team is described in the Remuneration Report. A performance evaluation for senior executives, which accords with the process described in the Remuneration Report, was undertaken during the 2018 financial year.

PRINCIPLE 2.

STRUCTURE THE BOARD TO ADD VALUE

NOMINATION AND REMUNERATION COMMITTEE

The Board has established a Nomination and Remuneration Committee to assist it in the discharge of its responsibilities. The main responsibilities of the committee are to:

- conduct reviews of the membership of the Board having regard to present and future needs of the Company and to make recommendations on Board composition, appointments and reappointments;
- conduct reviews of and determine the independence of each Director;
- propose candidates for Board vacancies;
- oversee annual executive performance evaluations, including recommendations for long and short term incentive grants as well as pay reviews;
- oversee Board succession, including the succession of the Chair, and review whether succession plans are in place to maintain an appropriately balanced mix of skills, experience and diversity on the Board;
- manage the processes in relation to meeting Board diversity objectives;
- oversee senior management succession plans; and
- assess the effectiveness of the Board induction process.

The Nomination and Remuneration Committee operates in accordance with its charter which sets out its roles and responsibilities, composition, structure and membership requirements.

A summary of the Nomination and Remuneration Committee charter is available at www.mesoblast.com.

The following three independent Directors are the members of the Nomination and Remuneration Committee:

| Name | Position held during the year |
|-----------------|-------------------------------|
| Donal O'Dwyer | Independent chair |
| Michael Spooner | Independent member |
| Brian Jamieson | Independent member |

The details of the meetings attended by each member of the Nomination and Remuneration Committee during the 2018 financial year are set out in Item 6.A of Form 20-F contained within our Annual Report.

BOARD SKILLS MATRIX

The Company has developed a skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. The skills matrix helps to identify any gaps in the collective skills of the Board that can then be addressed through professional development initiatives for Directors and in Board succession planning.

The skills and experience the Board has, and continues to add to its membership, are in the areas of, but not limited to:

- Industry experience: pharmaceutical/biotechnology product development – substantial experience in the drug investigation, testing and development process;
- Industry experience: pharmaceutical/biotechnology commercialization and regulatory - substantial experience in the drug commercialization process including clinical trials and path to regulatory and pricing approval;
- Industry experience: pharmaceutical/biotechnology manufacturing and supply – substantial experience in the global manufacturing, quality control and supply of approved pharmaceutical products;
- Executive management and leadership – substantial experience in managing and leading organizations at senior executive and board levels;
- Global business/commercial experience – substantial experience in senior executive roles for businesses operating across multiple global locations;
- Strategy – substantial experience in the development and implementation of strategic direction and plans to deliver investor returns over time;
- Corporate financing, mergers and acquisitions – substantial experience in capital raisings, mergers and acquisitions of companies and complementary technologies;
- Financial and risk management – expertise and experience in audit, financial accounting and reporting, internal controls, financial disclosure and industry taxation;

- Human resources – substantial experience in stakeholder management, oversight of remuneration, incentives, equity programs, benefits, employment contracts and workplace health and safety; and
- Corporate governance – substantial experience in public entity disclosure, management oversight and inquiry, listing rules and compliance.

The Board has also added the following desired skills and experience to its skills matrix:

- Medical/healthcare leadership: substantial leadership experience in healthcare organizations and/or integrated healthcare delivery.

Each of these skills is well represented on our Board.

INDEPENDENT DIRECTORS

With the exception of our Chief Executive, the Board is comprised of independent Directors, namely Mr Brian Jamieson, Mr William Burns, Mr Donal O'Dwyer, Dr Eric Rose, Mr Michael Spooner, Dr Ben-Zion Weiner (resigned 18 June 2018), Mr Joseph R. Swedish (appointed 18 June 2018) and Ms Shawn Cline Tomasello (appointed 11 July 2018).

A Director is considered independent if he or she is a non-executive Director and is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board. The Board considers the factors set out in the ASXCGPR and outlined below when assessing the independence of each non-executive Director, being whether the Director:

- is, or has been, employed in an executive capacity by the Group and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services or consultant to the Group;
- is, or has been within the last three years, in a material business relationship (eg, as a supplier or customer) with the Group, or an officer of, or otherwise associated with, someone in such a relationship;
- holds 5% or more of the votes attaching to Mesoblast shares (that is, a substantial shareholder) or has been a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
- has a material contractual relationship with the Group other than as a Director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a Director of the Company for such a period that his or her independence may have been compromised.

The Board at least annually assesses the independence of its non-executive Directors. To enable this assessment of independence, the Company maintains a conflicts of interest register, and the Directors must provide all information that may be relevant to the assessment.

As part of its annual assessment of independence for 2018, the Board gave specific consideration to:

- the independence of Mr Jamieson with a tenure on the Board of 10 years and 7 months as at 30 June 2018;
 - the independence of Mr Spooner, who performed the role of Executive Chair from August 2005 to November 2007, at which time he resigned but remained a Director of the Board, and also due to Mr Spooner having a tenure of 13 years and 9 months as at 30 June 2018 (with 10 years and 7 months as a non-executive Director); and
 - the independence of Mr O'Dwyer with a tenure on the Board of 13 years and 9 months as at 30 June 2018.
- With respect to Mr Spooner's former role as Executive Chair and his continuation on the Board, the Board maintains the view that he remains an independent Director on the basis that the Group has significantly expanded its operations since he held an executive role more than ten years ago.

With respect to Mr Jamieson, Mr Spooner and Mr O'Dwyer's tenure on the Board, the Board considers each of these Directors to be independent Directors on the basis that each continues to bring valuable expertise, independent judgement and has not formed associations with management or others that might compromise their ability to fulfil their role as an independent Director.

CHAIR

The Chair is responsible for leading the Board and for the efficient organization and conduct of the Board.

The role of the Chair more specifically is to ensure Directors are properly briefed in all matters relevant to their role and responsibilities, to facilitate Board discussions and to manage the Board's relationship with the Chief Executive and executive team. In accepting the position, the Chair has acknowledged that it will require a significant time commitment and has confirmed that other positions held will not hinder his effective performance in the role of Chair. The Chair of the Board, Mr Brian Jamieson, is considered an independent Director.

TERM OF OFFICE

The Company's constitution specifies that no Director, except the Chief Executive, may hold office for a period in excess of three years, or beyond the third Annual General Meeting following the Director's election, whichever is the longer, without submitting himself or herself for re-election.

Additionally, at every Annual General Meeting one-third of the previously-elected Directors, and if their number is not a multiple of three, then the number nearest to, but not exceeding one third, must retire from office and are eligible for re-election.

The term in office held by each Director in office as at 30 June 2018 is as follows:*

| Director | Term as director | Position held at 30 June 2018 |
|-------------------|----------------------|-------------------------------|
| Brian Jamieson | 10 years 7 months | Independent chair |
| William Burns | 4 years 3 months | Independent vice-chair |
| Silviu Itescu | 14 years | Executive director |
| Donal O'Dwyer | 13 years 9 months | Independent director |
| Michael Spooner | 13 years 9 months | Independent director |
| Ben-Zion Weiner** | 6 years 1 month | Independent director |
| Eric Rose | 5 years 2 months | Independent director |
| Joseph Swedish*** | 2 weeks | Independent director |

* Ms Shawn Tomasello was appointed on 11 July 2018.

** Dr Ben-Zion Weiner resigned on 18 June 2018.

*** Mr Joseph Swedish was appointed on 18 June 2018.

BOARD INDUCTION AND PROFESSIONAL DEVELOPMENT

All new Directors participate in an informal induction program which covers the operation of the Board and its committees, and an overview of the Group's core programs, key strategy, financial and relevant operational documents. The induction also includes meetings with existing Directors and senior executives to ensure all relevant and material information is explained thoroughly. The induction provided to new Directors enables them to actively participate in Board decision-making as soon as possible.

The Board encourages Directors to identify and participate in continuing education. The Board actively assesses relevant conferences and presentations that are appropriate for them to attend, particularly in the field of regenerative medicine, to heighten their understanding of the Group's core technologies and industry.

PRINCIPLE 3.

ACT ETHICALLY AND RESPONSIBLY

CODE OF CONDUCT

As part of its commitment to recognizing the legitimate interests of stakeholders, the Group has established a code of conduct to guide all Directors and employees in respect of ethical and compliant behaviour expected by the Group. In summary, the code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the law and Company policies. More specifically, the code of conduct covers the following:

- conflicts of interest;
- confidentiality;
- fair dealing;
- protection of assets;
- compliance with laws and regulations;
- reporting violations of the code;

- security trading; and
- commitments to stakeholders.

A copy of the code of conduct can be found at www.mesoblast.com. The code of conduct was reviewed and updated during the 2016 financial year.

In addition, the Company has introduced a separate policy regarding reporting of complaints and concerns by Mesoblast personnel.

PRINCIPLE 4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

AUDIT AND RISK COMMITTEE

The Board has established an Audit and Risk Committee to which it has delegated the responsibility for ensuring that an effective internal control framework exists within the Group. The main responsibilities of the Audit and Risk Committee with respect to financial reporting are to:

- review and assess the annual financial report, the half-year financial report, the Company's quarterly accounts and all other financial information published by the Company or released to the market;
 - recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance;
 - consider the independence and competence of the external auditor on an ongoing basis;
 - review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence;
 - review and monitor related party transactions;
 - oversee the effective operation of the risk management framework;
 - oversee and review the Company's policies, including the policy regarding reporting of complaints and concerns by Mesoblast personnel;
 - assist the Board in reviewing the effectiveness of the organization's internal control environment covering:
 - effectiveness and efficiency of operations and business processes;
 - safeguarding of assets
 - reliability of financial reporting and maintaining proper accounting records;
 - compliance with applicable laws and regulations; and
 - report to the Board on matters relevant to the committee's role and responsibilities.
- In fulfilling its responsibilities, the Audit and Risk Committee:
- receives regular reports from management and the external auditors;

- meets with the external auditors at least four times a year, or more frequently if necessary;
- reviews the processes which the Chief Executive and Chief Financial Officer have in place to support their certifications to the Board;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved; and
- provides the external auditors with a clear line of direct communication at any time to either the Chair of the Audit and Risk Committee or the Chair of the Board. The Audit and Risk Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The Audit and Risk Committee operates under a formal charter approved by the Board which sets out the committee's role and responsibilities, composition, structure and membership requirements and the procedures for inviting non-committee members to attend meetings. A full copy of the Audit and Risk Committee charter, which was reviewed during the reporting year, can be found at www.mesoblast.com.

The following three independent Directors are the members of the Audit and Risk Committee:

| Name | Position held during the year |
|-----------------|-------------------------------|
| Michael Spooner | Independent member |
| Brian Jamieson | Independent member |
| Donal O'Dwyer | Independent chair |

All of the Directors are financially literate and two of the members, Michael Spooner and Brian Jamieson, have accounting qualifications. Additionally, Michael Spooner and Donal O'Dwyer have valuable and relevant industry experience having served in the healthcare industry in senior positions for a number of years. The details of the meetings attended by each member of the Audit and Risk Committee during the 2018 financial year are set out in Item 6.A of Form 20-F contained within our Annual Report.

CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER DECLARATION

The integrity of the Company's financial reporting depends upon the existence of a sound system of risk oversight and management and internal control.

Management accountability for this is enhanced by the assurances it is required to give to the Board.

The Chief Executive and the Chief Financial Officer provided assurance to the Board prior to release of the Company's 2018 financial year financial statements that, in their opinion:

- the financial records of the Company for the financial year have been properly maintained in accordance with the Corporations Act 2001; and
- the financial statements and notes for the relevant financial period comply with the accounting standards and give a true and fair view of the financial position and performance of the Group.

The opinions of the Chief Executive and the Chief Financial Officer were formed on the basis of a sound system of risk management and internal control which is operating effectively.

EXTERNAL AUDITOR

The Audit and Risk Committee's policy is to appoint an external auditor who demonstrates quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. PwC was appointed as the external auditor in November 2007.

It is PwC's policy to rotate audit engagement partners on listed companies at least every five years. The current audit engagement partner was appointed on and from the year ended 30 June 2014.

An analysis of fees paid to the external auditors for the 2018 financial year is provided in note 18 to the Financial Report. There were no fees paid for non-audit services provided by the auditor. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit and Risk Committee.

The external auditor will attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

PRINCIPLE 5.

MAKE TIMELY AND BALANCED DISCLOSURE

CONTINUOUS DISCLOSURE

The Company has a policy and procedures in place to ensure that it identifies and discloses any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities (price sensitive information) in accordance with the continuous disclosure requirements under ASX Listing Rule 3.1. The Company's policy in relation to market disclosure and shareholder communications is available on the Mesoblast website.

The Company has established a Materials Review Committee which reviews all market announcements (other than routine administrative and financial announcements) to ensure they are factual, comply with legal obligations, do not omit material information, provide a balanced view, and are presented in a clear and concise way. The Materials Review Committee operates in accordance with its charter.

The Chief Executive, acting in conjunction with the Global Head of Corporate Communications, the General Counsel, the Company Secretary and the Materials Review Committee, is responsible for overseeing the disclosure of information to the ASX. The Company Secretary is responsible for coordinating the timely disclosure of information to the ASX. The Board's approval and input is required in respect of certain disclosure matters as set out in the Company's policy on market disclosure and shareholder communications.

All price sensitive information disclosed to the ASX is posted on the Mesoblast website as soon as possible after it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Mesoblast website.

PRINCIPLE 6.

RESPECT THE RIGHTS OF SECURITY HOLDERS

COMPANY WEBSITE

The Company provides information about itself and its governance on its website at www.mesoblast.com.

INVESTOR RELATIONS

Mesoblast's investor relations program involves scheduled and ad hoc interactions with institutional investors, private investors, sell-side and buy-side analysts to facilitate understanding of the Group's business, corporate strategy, governance, financial and operational performance and prospects.

Further, shareholders can contact us at any time through the Group's Investor Relations team. The contact details are available on www.mesoblast.com. The Board receives regular reports from our Chief Executive, Chief Financial Officer and our Global Head of Corporate Communications regarding feedback from shareholders and analysts. This ensures Directors are aware of concerns being raised giving them a good understanding of current market and shareholder views.

Where possible, the Company arranges for advance notification of significant group briefings (including, but not limited to, financial results announcements) and makes them widely accessible. Webcasts of analysts' calls are generally available on our website (www.mesoblast.com).

SHAREHOLDER MEETINGS

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and to enhance shareholders' identification with the Group's strategy and goals. The shareholders are requested to vote on matters such as the adoption of the Remuneration Report, the granting of securities to Directors and changes to the Constitution. Importantly, Mesoblast facilitates and encourages shareholder participation at the Annual General Meeting by providing a question forum at the meeting to address individual shareholder queries.

ELECTRONIC COMMUNICATIONS

Mesoblast gives shareholders the option to receive communications from, and send communications to, Mesoblast and its security registry electronically.

PRINCIPLE 7.

RECOGNIZE AND MANAGE RISK

AUDIT AND RISK COMMITTEE

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the Audit and Risk Committee and reviewed by the full Board. The Audit and Risk Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. They monitor the Group's risk management by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risks. In providing this oversight of the Company's risk management systems and practices, the committee:

- reviews the framework and methodology for risk identification, the degree of risk the Company is willing to accept, the management of risk and the processes for auditing and evaluating the Group's risk management system;
- reviews Group-wide objectives in the context of the abovementioned categories of corporate risk;
- reviews and, where necessary, approves guidelines and policies governing the identification, assessment and management of the Group's exposure to risk;
- reviews and approves the delegations of financial authorities and addresses any need to update these authorities on an annual basis; and
- reviews compliance with agreed policies.

The committee recommends any actions it deems appropriate to the Board for its consideration. Details of the committee's composition, structure and membership can be found under Principle 4 of this statement.

RISK MANAGEMENT FRAMEWORK

The Group's internal risk management group, headed by the Chief Financial Officer, is responsible for designing, implementing, monitoring and reporting on the Group's management of material business risks, and the effectiveness of the Group's risk management and internal control system. The risk management group reports into the Audit and Risk Committee.

Risk and the risk management framework are reviewed at least annually by the Audit and Risk Committee.

Further detail on risks can be found in the 'Risk Factors' section (Item 3.D) on the Form 20-F contained within our Annual Report.

INTERNAL AUDIT FUNCTION

In light of the size and nature of the Company's operations and activities, the Company has not established a formal separate internal audit function. The Company does have, however, a Quality Management Department with appropriate controls in place for monitoring and compliance of clinical and non-clinical studies as well as manufacturing operations.

As part of our Nasdaq listing, we are required to comply with rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.

To meet these requirements the Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's management conducted an assessment of the effectiveness of our internal control over financial reporting as of 30 June 2018 and has concluded that its internal control over financial reporting was effective as of 30 June 2018.

ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

The Group monitors its exposure to risks, including economic, environmental and social sustainability risks.

In the 2016 financial year, Mesoblast undertook an analysis to identify economic, environmental and social sustainability issues which are material from the perspective of the Group and our stakeholders. An analysis was undertaken with the help of an external consultant and drawing on the Sustainability Accounting Standards Board's (SASB) Biotechnology Accounting Standard, and the Global Reporting Initiative's (GRI) G4 Guidelines for Sustainability Reporting. A range of potential issues was identified from these guidelines: Mesoblast's internal and external communications; the disclosures of other companies in the sector; the media; and on-line research. These issues were prioritized based their impact on the Group's business and key stakeholders.

Many of the issues are associated directly or indirectly with risks reported in the 'Risk Factors' section (Item 3.D) on the Form 20-F contained within our Annual Report. At this stage the Board does not consider that the Group has any material exposure to any environmental or social sustainability risk which is not disclosed through the 'Risk Factors' section.

PRINCIPLE 8. REMUNERATE FAIRLY AND RESPONSIBLY

NOMINATION AND REMUNERATION COMMITTEE

As mentioned above in Principle 2, the Board has established a combined Nomination and Remuneration Committee. The Nomination and Remuneration Committee advises the Board on remuneration and incentive policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives and non-executive Directors. Committee members receive regular briefings from an external remuneration expert on recent developments on remuneration and related matters. Details of the committee's role and responsibilities, composition, structure and membership can be found under Principle 2 of this statement.

NON-EXECUTIVE DIRECTOR REMUNERATION POLICY

Non-executive Director remuneration consists of Director fees. It is proposed that the newly-appointed non-executive Directors be granted options (subject to approval of the 2018 Annual General Meeting) and certain non-executive Directors were previously granted options as part of their remuneration, including during the 2015 financial year following authorization from shareholders at our 2014 Annual General Meeting. These options were not subject to any performance hurdles or performance rights. Further, non-executive Director remuneration does not include any performance-based remuneration or bonuses. The issue of options to the non-executive Directors is not an annual or regular event.

Further information on non-executive Directors' remuneration for the 2018 financial year, including principles used to determine remuneration, is set out in the Remuneration Report.

EXECUTIVE DIRECTOR AND SENIOR EXECUTIVES' REMUNERATION POLICY

Executive remuneration consists of fixed pay, performance-based remuneration and equity-based remuneration, and is closely aligned to the success of the Group. Further information on Executive Director and senior executives' remuneration for the 2018 financial year, including principles used to determine remuneration, is set out in the Remuneration Report.

SHARE TRADING POLICY

The Company has developed a share trading policy which governs the trading of the Company's shares by Directors, employees and key consultants of the Company – who collectively are known as 'Mesoblast Personnel'. Mesoblast Personnel are not permitted to trade in the Company's securities during the following periods:

- the period from 1 July until the preliminary announcement of the Group's annual financial results plus 2 calendar days;
- the period from 1 January until the announcement of the Group's half year report plus 2 calendar days; and
- other periods as advised by the Board from time to time.

In addition, no person is able to trade in the Company's shares whilst in the possession of material inside information, and nor are they able to influence any other person with regard to trading in the Company's shares.

The share trading policy prohibits Mesoblast Personnel from trading in the Company's derivatives. This prohibition is in place to prevent such personnel from limiting their economic exposure to risk arising out of an element of remuneration which has not vested, or which has vested but remains the subject of a disposal restriction.

A copy of the Company's share trading policy can be found at www.mesoblast.com.



Mesoblast Limited
ABN 68 109 431 870

Notice of Annual General Meeting and Explanatory Memorandum

For the Annual General Meeting of the Company to be held at:

Time: 3:00 pm (Melbourne time)

Date: Friday, 30 November 2018

Place: MinterEllison
Level 23, Rialto Towers
525 Collins Street
Melbourne, Victoria 3000 Australia

THIS IS AN IMPORTANT DOCUMENT

If you are in doubt as to what to do with this document please immediately see your legal adviser, financial adviser or stockbroker.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting (AGM) of Mesoblast Limited (ABN 68 109 431 870) (the **Company** or **Mesoblast**) will be held at MinterEllison, Level 23, Rialto Towers, 525 Collins Street, Melbourne, Victoria 3000, Australia on 30 November 2018 at 3.00 pm (Melbourne time) for the purpose of considering and, if thought fit, passing the resolutions set out below.

Please note that additional information concerning the proposed resolutions is contained in the Explanatory Memorandum that accompanies and forms part of this Notice of AGM.

ITEMS OF BUSINESS

1. Receipt and Consideration of Financial Statements and Reports

To receive and consider the Financial Statements of the Company and the reports of the Directors and Auditor for the year ended 30 June 2018, as set out in the Company's 2018 Annual Report.

2. Election and Re-election of Directors

a) Election of Mr Joseph R. Swedish as a Director

To consider and, if thought fit, pass the following resolution:

'That pursuant to clause 15.1 of the Company's Constitution, the members of the Company approve the appointment of Mr Joseph R. Swedish as a Director of the Company, who, having been appointed by the Directors on 18 June 2018 and being eligible, offers himself for election.'

b) Election of Ms Shawn Cline Tomasello as a Director

To consider and, if thought fit, pass the following resolution:

'That pursuant to clause 15.1 of the Company's Constitution, the members of the Company approve the appointment of Ms Shawn Cline Tomasello as a Director of the Company, who, having been appointed by the Directors on 11 July 2018 and being eligible, offers herself for election.'

c) Re-election of Mr Brian Jamieson as a Director

To consider and, if thought fit, pass the following resolution:

'That Mr Brian Jamieson, a Director retiring from office in accordance with clause 15.3(a) of the Company's Constitution, being eligible, is re-elected as a Director of the Company.'

d) Re-election of Mr Michael Spooner as a Director

To consider and, if thought fit, pass the following resolution:

'That Mr Michael Spooner, a Director retiring from office in accordance with clause 15.3(a) of the Company's Constitution, being eligible, is re-elected as a Director of the Company.'

For information about the candidates for election and re-election, see the Explanatory Memorandum (pages 8-10 below).

3. Adoption of the Remuneration Report

To consider and, if thought fit, pass the following resolution:

'That the Remuneration Report (which forms part of the Company's 2018 Annual Report) for the financial year ended 30 June 2018 be adopted.'

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

Voting Exclusions: The Company will disregard any votes cast on this resolution by or on behalf of certain shareholders. Details of the voting exclusions applicable to this resolution are set out in the 'Voting Exclusions' section of the Notes below (see pages 5-6 below).

For information about the Remuneration Report, see the Explanatory Memorandum (page 10 below).

4. Approval of Proposed Issue of Options to Non-Executive Directors

a) Approval of Proposed Issue of Options to newly-appointed directors Mr Joseph R. Swedish and Ms Shawn Cline Tomasello

To consider and, if thought fit, pass the following resolution:

'That the Company hereby approves, for the purpose of Listing Rule 10.14 and for all other purposes:

- (i) the grant to Mr Joseph R. Swedish and Ms Shawn Cline Tomasello (being Non-Executive Directors of the Company as at the date this resolution is passed) of 200,000 options each under and in accordance with the Company's Employee Share Option Plan and on the basis described in the Explanatory Memorandum accompanying the Notice of this Meeting; and*
- (ii) any issue of fully paid ordinary shares in the Company to Mr Joseph R. Swedish and Ms Shawn Cline Tomasello upon the exercise of any such options.'*

b) Approval of Proposed Issue of Options to other Non-Executive Directors

To consider and, if thought fit, pass the following resolution:

'That the Company hereby approves, for the purposes of Listing Rule 10.14 and for all other purposes:

- (i) the aggregate grant to the Non-Executive Directors of the Company (other than Mr Swedish and Ms Tomasello) of 590,000 options under and in accordance with the Company's Employee Share Option Plan and on the basis described in the Explanatory Memorandum accompanying the Notice of this Meeting; and*
- (ii) any issue of fully paid ordinary shares in the Company to the respective Non-Executive Directors upon the exercise of any such options.'*

Voting Exclusions: The Company will disregard certain votes cast on these resolutions by or on behalf of certain shareholders. Details of the voting exclusions applicable to these resolutions are set out in the "Voting Exclusions" section of the Notes below (see pages 5-6 below).

For information about these option issues, see the Explanatory Memorandum (pages 11-13 below).

5. Subsequent Approval of Issues of Shares

a) NovaQuest Capital Management LLC

To consider and, if thought fit, pass the following resolution:

'That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the issue of 8,474,576 fully paid ordinary shares at an issue price of \$1.60 per share to NovaQuest Capital Management LLC on the terms and conditions specified in the Explanatory Memorandum accompanying the Notice of this Meeting.'

b) Tasty Pharmaceutical Group Co Ltd

To consider and, if thought fit, pass the following resolution:

'That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the issue of 14,464,259 fully paid ordinary shares at an issue price of \$1.86 per share to Tasty Pharmaceutical Group Co Ltd on the terms and conditions specified in the Explanatory Memorandum accompanying the Notice of this Meeting.'

Voting Exclusions: The Company will disregard certain votes cast on this resolution by or on behalf of certain shareholders. Details of the voting exclusions applicable to this resolution are set out in the "Voting Exclusions" section of the Notes below (see page 6).

For information about these share issues, see the Explanatory Memorandum (pages 14 and 15 below).

6. Increase in Directors' Fees Pool

To consider and, if thought fit, pass the following resolution:

'That for the purposes of ASX Listing Rule 10.17 and clause 15.4(a) of the Company's Constitution, approval is given for an increase in the maximum aggregate amount payable as Directors' fees to Non-Executive Directors for their

services as non-executive directors of the Company, from \$1,250,000 per annum to \$1,500,000 per annum, being an increase of such maximum aggregate amount of \$250,000 per annum.'

Voting Exclusions: The Company will disregard certain votes cast on this resolution by or on behalf of certain shareholders. Details of the voting exclusions applicable to this resolution are set out in the "Voting Exclusions" section of the Notes below (see page 6).

For information about the increase in the directors' fees pool, see the Explanatory Memorandum (page 16 below).

7. Renewal of Proportional Takeover Approval Provisions in the Company's Constitution

To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

'That, pursuant to sections 136 and 648G(4) of the Corporations Act 2001 (Cth), approval is given for the renewal of clause 13 of the Company's Constitution by inserting that clause in the Company's Constitution and, if Resolution 8 is passed, by adopting the Constitution referred to in that resolution with clause 30 included for a period of 3 years from the date of this meeting.'

For information about the renewal of the proportional takeover approval provisions in the Constitution, see the Explanatory Memorandum (pages 17 to 18).

8. Adoption of New Constitution

To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

'That the document titled Constitution of Mesoblast Limited tabled at the Meeting and signed by the Chairman of the Meeting for the purposes of identification is adopted as the new Constitution of the Company in substitution for and to the exclusion of the existing Constitution of the Company, which existing Constitution is repealed.'

For information about the proposed new Constitution, see the Explanatory Memorandum (pages 18 to 19).

Further information

For detailed information on the above Agenda items, please refer to the Explanatory Memorandum on pages 8 to 19.

By order of the Board:



Charlie Harrison
Company Secretary

30 October 2018

Eligibility to Vote

For the purpose of voting at the AGM, the Directors have determined that all shares in the Company are taken to be held by the persons who are registered as holding them at 7.00 pm (Melbourne time) on 28 November 2018. The entitlement of shareholders to vote at the AGM will be determined by reference to that time.

Voting Exclusions

Items 2(a) to 2(d) – Election and Re-election of Directors

There are no voting exclusions for these items.

Item 3 – Adoption of the Remuneration Report

Votes may not be cast, and the Company will disregard any votes cast, on the resolution proposed in item 3 (**Resolution 3**):

- by or on behalf of any Key Management Personnel (**KMP**) member whose remuneration details are included in the Remuneration Report, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member as at the time Resolution 3 is voted on at the AGM, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 3:

- in accordance with a direction in the proxy appointment; or
- by the Chair of the AGM in accordance with an express authorisation in the proxy appointment to cast the votes even if Resolution 3 is connected directly or indirectly with the remuneration of a KMP member.

Items 4(a) and 4(b) – Approval of Proposed Issue of Options to Non-Executive Directors

Votes may not be cast, and the Company will disregard any votes cast, in favour of the resolutions proposed in each of items 4(a) and 4(b) (**Resolutions 4(a) and 4(b)**) by:

- any Director who is eligible to participate in the Company's Employee Share Option Plan or any associate of such a Director; and
- any person who is a KMP as at the time Resolutions 4(a) and 4(b) are voted on at the AGM and any closely related party of such a KMP, to the extent in either case that they are acting as a proxy – this prohibition also applies to votes cast against the Resolutions,

unless the person votes as a proxy for someone who is entitled to vote and:

- the person is appointed as a proxy by writing that specifies how the proxy is to vote on any of Resolutions 4(a) and 4(b), and the vote is cast in accordance with that direction; or
- the person is the Chair of the AGM and:
 - the proxy appointment expressly authorises the Chair to exercise the proxy even if any of Resolutions 4(a) and 4(b) are connected directly or indirectly with the remuneration of a KMP; and
 - if the Chair is a Director who is eligible to participate in the Company's Employee Share Option Plan, the vote is cast in accordance with a direction in the proxy appointment to vote as the proxy decides.

Items 5(a) and 5(b) – Subsequent Approval of Issues of Shares

Votes may not be cast, and the Company will disregard any votes cast, in favour of the resolutions proposed in items 5(a) and 5(b) (**Resolutions 5(a) and 5(b)**) by:

- any person who participated in the issue of shares the subject of Resolutions 5(a) and 5(b); or
- an associate of that person (or those persons).

However, the Company will not disregard a vote on Resolution 5(a) or 5(b) if:

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

Item 6 – Increase in Directors’ Fees Pool

Votes may not be cast, and the Company will disregard any votes cast, in favour of this resolution by:

- any of the Directors of the Company or any associate of any of the Directors of the Company; and
- any person who is a KMP at the time Resolution 6 is voted on at the AGM and any closely related party of such KMP, to the extent they are acting as a proxy – this prohibition also applies to votes cast against the Resolution.

However the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair of the AGM as proxy for a person who is entitled to vote, in accordance with an express authorisation on the proxy form to vote as the proxy decides, even though the Resolution is connected directly or indirectly with the remuneration of a KMP.

Item 7 – Renewal of Proportional Takeover Approval Provisions in the Company’s Constitution

There are no voting exclusions for this item.

Item 8 – Adoption of New Constitution

There are no voting exclusions for this item.

Defined terms used in these Voting Exclusions:

For the purposes of these voting exclusions:

- The **KMP** are those persons having authority and responsibility for planning, directing and controlling the activities of the Mesoblast consolidated group, either directly or indirectly. This includes all Directors (executive and non executive). The KMP for the Mesoblast consolidated group during the year ended 30 June 2018 are listed in a section titled ‘Key Management Personnel’ in Item 6.A of the Company’s Form 20-F for the year ended 30 June 2018 (which is contained within the Company’s Annual Report for the year ended 30 June 2018).
- A **closely related party** of a KMP member means:
 - a spouse or child of the member; or
 - a child of the member’s spouse; or
 - a dependant of the member or of the member’s spouse; or
 - anyone else who is one of the member’s family and may be expected to influence the member, or be influenced by the member, in the member’s dealings with Mesoblast consolidated group; or
 - a company the member controls.

The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the AGM under a power of attorney, as if they were appointed as a proxy.

Information On Proxies, Corporate Representatives and Attorneys

Voting by Proxy

Please note that:

- a shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy. A shareholder who

is entitled to cast two or more votes may appoint not more than two proxies;

- a proxy may be either an individual or a corporation, and need not be a shareholder of the Company;
- a single proxy exercises all voting rights of the relevant shareholder;
- where two proxies are appointed, the shareholder may specify the proportion or number of that shareholder's votes that each proxy is appointed to exercise. If a shareholder appoints two proxies and does not specify each proxy's voting rights, each proxy may exercise half the votes. Fractions of votes are to be disregarded;
- a proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chair of the AGM) on a poll. However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of these Notes, including the voting exclusions noted above);
- if a proxy does not attend the AGM then the Chair of the AGM will be taken to have been appointed as the proxy of the relevant shareholder in respect of the AGM; and
- if the Chair of the AGM is appointed, or taken to be appointed, as a proxy, but the appointment does not specify the way to vote on a resolution, then the Chair intends to exercise the relevant shareholder's votes in favour of the relevant resolution (subject to the other provisions of these Notes, including the voting exclusions noted above).

To be valid, the appointment of a proxy must be received **at least 48 hours prior to the AGM** using one of the following methods:

- faxing the proxy appointment form, along with the power of attorney or other authority (if any) under which the form is signed, to +61 2 9287 0309; **OR**
- lodging the proxy appointment form (online, by mail or in person) along with the power of attorney or other authority (if any) under which the form is signed (or a certified copy thereof), as follows:
 - ONLINE:** by logging into the following website address – www.linkmarketservices.com.au – using the holding details as shown on your enclosed proxy form and select 'Voting' and follow the prompts to lodge your vote
 - BY MAIL:** c/- Link Market Services Limited
Locked Bag A14
Sydney, South NSW 1235, Australia
 - BY HAND:** Link Market Services Limited
1A Homebush Bay Drive, Rhodes, NSW 2138, Australia; or
Level 12, 680 George Street, Sydney, NSW 2000, Australia

A proxy appointment form accompanies this Notice of AGM.

Voting by Corporate Representatives

A shareholder or proxy that is a corporation and entitled to attend and vote at the AGM may appoint an individual to act as its corporate representative. Evidence of the appointment of a corporate representative must be in accordance with the *Corporations Act 2001* (Cth) (Corporations Act) and must be lodged with the Company before the AGM or at the registration desk on the day of the AGM.

Voting by Attorney

A shareholder entitled to attend and vote at the AGM is entitled to appoint an attorney to attend and vote at the AGM on the shareholder's behalf. An attorney need not be a shareholder of the Company.

The power of attorney appointing the attorney must be duly executed and specify the name of each of the shareholder, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as outlined above for proxy appointment forms.

Evidence of execution

If any instrument (including a proxy appointment form or appointment of corporate representative) returned to the Company is completed by an individual or a corporation under power of attorney, the power of attorney under which the instrument is signed, or a certified copy of that power of attorney, must accompany the instrument unless the power of attorney has previously been noted by the Company or the Company's share registry.

Explanatory Memorandum relating to the 2018 Notice of Annual General Meeting

ITEMS OF BUSINESS

1. Receipt and Consideration of Financial Statements and Reports

This agenda item is self-explanatory. It is intended to provide shareholders with the opportunity to raise questions on the Financial Statements and Reports, and on the performance of the Company generally.

Shareholders should note that the Financial Statements and Reports will be received in the form presented. It is not the purpose of the meeting for the Financial Statements and Reports to be accepted, rejected or modified in any way. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the Directors' report or the Auditor's report.

2. Election and Re-election of Directors

We foreshadowed at our last AGM that, at this important juncture in the Company's growth and commercial plans, the Board is focused on complementing its existing skill sets with additional international biopharmaceutical and commercial expertise, as well as succession planning. We also noted that we expected to report on Board renewal in 2018. In recent months, as part of that process, Shawn Cline Tomasello joined our Board, bringing 30 years' experience in the pharmaceutical and biotech industries, and Joseph Swedish joined our Board, bringing over two decades of healthcare leadership experience. Dr Ben-Zion Weiner resigned from the Board after many years of distinguished service and valuable contribution, especially in relation to

our research and development pipeline. In order to ensure an orderly transition in Board composition, Brian Jamieson and Michael Spooner are each standing for re-election as directors at this AGM with the intention that, if re-elected, both they and Donal O'Dwyer, all three long-standing Australian non-executive directors, will step down from the Board as appropriate successors are appointed.

a) Election of Mr Joseph R. Swedish as a Director

Mr Joseph. R. Swedish has more than two decades of healthcare leadership experience as the CEO for major United States healthcare enterprises.

Most recently, he has served as Executive Chairman, President and CEO of Anthem Inc., America's leading health benefits provider. Prior to joining Anthem, Mr Swedish was CEO for several major integrated healthcare delivery systems, including Trinity Health and Colorado's Centura Health. Currently, he sits on the Board of Directors of IBM Corporation, CDW Corporation, and Proteus Digital Health.

Mr Swedish is Chairman of Duke University's Fuqua School of Business Board of Visitors. Previously, he was Chairman of the Catholic Health Association.

Mr Swedish received a bachelor's degree from the University of North Carolina and his master's degree in health administration from Duke University.

The Board has determined that Mr Joseph R. Swedish is an independent Director.

Other Current Directorships of Listed Public Companies

- Non-executive director, IBM Corporation
- Non-executive director, CDW Corporation

b) Election of Ms Shawn Cline Tomasello as a Director

With more than 30 years' experience in the pharmaceutical and biotech industries, Ms. Shawn Cline Tomasello has substantial commercial and transactional experience.

Since 2015, Ms Tomasello has been Chief Commercial Officer at leading immuno-oncology cell therapy company Kite Pharma, where she played a pivotal role in the company's acquisition in 2017 by Gilead Sciences for \$11.9 billion. Prior to this, she served as Chief Commercial Officer at Pharmacyclics, Inc., which was acquired in 2015 by AbbVie, Inc. for \$21 billion. Ms Tomasello previously was President of the Americas, Hematology and Oncology at Celgene Corporation where she managed over \$4 billion in product revenues, and was instrumental in various global expansion and acquisition strategies.

Ms Tomasello has also held senior positions at Genentech, Pfizer Laboratories, Miles Pharmaceuticals and Procter & Gamble. Ms Tomasello currently serves on the Board of Directors of Centrexion Therapeutics, Oxford BioTherapeutics, Clementia Pharmaceuticals, UroGen Pharma and Diplomat Rx.

She received a MBA from Murray State University and a B.S. in Marketing from the University of Cincinnati. The Board has determined that Ms Shawn Cline Tomasello is an independent Director.

Other Current Directorships of Listed Public Companies

- Non-executive director, Diplomat Rx
- Non-executive director, Clementia Pharmaceuticals
- Non-executive director, UroGen Pharma

c) Re-election of Mr Brian Jamieson as a Director

Mr Brian Jamieson was appointed to the Board in 2007 and was last elected by shareholders at the Company's 2015 Annual General Meeting. In accordance with clause 15.3(a) of the Company's Constitution, Mr Jamieson retires by rotation at the end of the AGM and, being eligible, offers himself for re-election at the AGM.

As noted above, Mr Jamieson has served on our board of directors as Chairman since 2007 after retiring as Chief Executive of MinterEllison Melbourne. Previously he was Chief Executive Officer at KPMG Australia, a KPMG Board Member in Australia, and a member of the USA Management Committee. Mr Jamieson is

Chairman of Sigma Healthcare Ltd and a non-executive director of Highfield Resources Ltd, and Director and Treasurer of the Bionics Institute. He is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors.

The Board has determined that Mr Brian Jamieson is an independent Director.

Other Current Directorships of Listed Public Companies

- Chairman, Sigma Healthcare Ltd
- Non-executive director, Highfield Resources Ltd

d) Re-election of Mr Michael Spooner as a Director

Mr Michael Spooner was appointed to the Board in 2004 and last elected by shareholders at the Company's 2015 Annual General Meeting. In accordance with clause 15.3(a) of the Company's Constitution, Mr Spooner retires by rotation at the end of the AGM and, being eligible, offers himself for re-election at the AGM.

As noted above, Mr Spooner has served on the Board of Directors since 2004. During this period he has filled various roles including as Chairman from the date of the ASX public listing in 2004 until 2007. Over the past several years Mr Spooner has served on the Board of Directors in various capacities at several Australian and international biotechnology companies, including BiVacor Pty Ltd (2009-2013), Advanced Surgical Design & Manufacture Limited (2010-2011), Peplin, Inc. (2004-2009), Hawaii Biotech, Inc. (2010-2012), Hunter Immunology Limited (2007-2008), and Ventracor Limited (2001-2003).

He has been the chairman of Simavita Ltd since May 2016 and Chairman of MicrofluidX since February 2018. Prior to returning to Australia in 2001, Mr Spooner spent much of his career internationally where he served in various roles including as a partner to PA Consulting Group, a UK-based management consultancy, and a Principal Partner and Director of Consulting Services with PricewaterhouseCoopers (Coopers & Lybrand) in Hong Kong. In addition Mr Spooner has owned and operated several international companies providing services and has consulted to a number of U.S. and Asian public companies.

The Board has determined that Mr Michael Spooner is an independent Director.

Other Current Directorships of Listed Public Companies

- Chairman, Simavita Ltd

Recommendation

The Directors (in each case excluding the relevant candidate) recommend that shareholders vote in favour of the respective election and re-election of each of the above candidates.

3. Adoption of the Remuneration Report

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed Remuneration Report setting out certain prescribed information relating to Directors' and Executives' remuneration, and submit this for adoption by resolution of shareholders at the AGM.

The Remuneration Report is set out on pages 91 to 116 of the Company's 2018 Annual Report. A copy of the 2018 Annual Report can be found on the Company's website at www.mesoblast.com or by contacting the Company's share registrar, Link Market Services.

The Remuneration Report includes:

- an explanation of the Company's policies in relation to the nature and amount of the remuneration of the KMP;
- a description of the relationship between such policies and the Company's performance;
- if an element of remuneration is performance based, an explanation why the performance conditions were chosen and how performance is measured against those conditions; and
- remuneration details for the KMP.

During this item, there will be an opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report, and shareholders are asked to adopt the Remuneration Report.

The vote on the resolution in this item is advisory only and will not bind the Directors or the Company. The Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies of the Company.

Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as described in the Remuneration Report), and that each Director (or any closely related party of a Director) is excluded from voting their shares on Resolution 3 (as described in the 'Voting Exclusions' section of the Notes above), the Directors unanimously recommend that shareholders vote in favour of Resolution 3 to adopt the Remuneration Report.

4. Approval of Proposed Issue of Options to Non-Executive Directors

Background

Shareholders are asked to approve the issue of the following Options under the Company's Employee Share Option Plan:

- 200,000 Options to Mr Joseph R. Swedish;
- 200,000 Options to Ms Shawn Cline Tomasello; and
- a pool of 590,000 options in which Mr Brian Jamieson, Mr William Burns, Dr Eric Rose, Mr Michael Spooner and Mr Donal O'Dwyer may participate,

each of whom is a Non-Executive Director of the Company.

The Board considers that it is important to ensure that the Company remains globally competitive in terms of the benefits made available to Non-Executive Directors to ensure that the Company can attract and retain candidates of high calibre and experience. The Board considers that the grant of Options to non-executive directors is an important component of providing competitive benefits, in particular for non-executive directors in the international biotechnology sector.

The Board considers that the aggregate value of the Options granted to each newly-appointed Non-Executive Director named above, based on a Black-Scholes option valuation methodology, is equal to approximately the current annual amount payable by the Company to a Non-Executive Director in director's fees. The issue of Options to the other Non-Executive Directors is aimed at introducing a measure of parity in the remuneration of Directors. The last issue of options to directors occurred in 2014, when Dr Eric Rose, Mr William Burns and Dr Ben-Zion Weiner were each issued 80,000 options, following approval by shareholders at that year's AGM.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long term, and the proposed issue seeks to align the efforts of the Non-Executive Directors named above in seeking to achieve growth of the share price and in the creation of shareholder value.

In addition, the Board believes that incentivisation with Options is a prudent means of conserving the Company's available cash.

The Directors do not intend the issue of Options to be an annual or regular event for the Directors.

The potential disadvantage of the shareholders approving any of Resolutions 4(a) and 4(b) includes dilution of shareholder interests if the Options are exercised at a future time.

The Company's Employee Share Option Plan

The Company's Employee Share Option Plan was approved by the Company's shareholders at the 2016 AGM and operates as a traditional option plan for the issuance of Options to eligible participants. The key terms and conditions attaching the Company's Employee Share Option Plan were described in the Explanatory Memorandum that accompanied the Notice of Meeting for the 2016 AGM, and further information on the Company's Employee Share Option Plan can be found in the Remuneration Report section of the Annual Report.

The key terms applying to the Options for the Non-Executive Directors named above are summarised below:

- (i) The Options vest in three equal tranches, with vesting dates on the first, second and third anniversaries of the grant date, and an expiry date of seven years from the grant date.
- (ii) Each Option will entitle the holder to acquire one ordinary share in the Company at the exercise price applicable to that Option. The Options will not be subject to any performance conditions or hurdles.
- (iii) Shares acquired on the exercise of Options will rank equally in all respects with other shares from the date of issue, subject to the satisfaction of any applicable disposal restrictions.

- (iv) The Options will be subject to lapsing where the holder is a 'Bad Leaver'. Unless the Board determines otherwise in accordance with the rules of the Company's Employee Share Option Plan:
- where the holder is a 'Bad Leaver', all rights, entitlements and interests in any unexercised Options (including those that are vested Options) held by the holder will be forfeited and will lapse immediately. In broad terms, a holder will be a 'Bad Leaver' where they cease to be a Director of the Company in circumstances where they have engaged in conduct adverse to the Company or breach the terms of their appointment; and
 - where a holder is a 'Leaver', the holder will retain all vested and unvested Options and they will remain subject to vesting (if unvested) and expiry as noted in (i) above. A holder will be a 'Leaver' where they cease to be a Director of the Company in circumstances where they are not a 'Bad Leaver' (and a 'Leaver' will include someone who resigns or retires).
- (v) The Board may determine at any time that an unvested Option may vest on the occurrence of a 'Control Event' – whether or not any or all applicable vesting conditions have been met.

The need for shareholder approval

ASX Listing Rule 10.14 provides that an entity must not permit any Director of the Company (among others) to acquire securities under an employee incentive scheme without the prior approval of ordinary shareholders.

Accordingly, under ASX Listing Rule 10.14, the Company seeks shareholder approval to issue Options to each of the Non-Executive Directors named in the relevant Resolutions above.

Information required by the ASX Listing Rules

ASX Listing Rule 10.15 requires that the meeting documents concerning a proposed resolution to approve an issue of securities, in accordance with ASX Listing Rule 10.14, must include the following information:

| | |
|---|---|
| If the person is not a director, a statement of the relationship between the person and the director that requires the approval to be obtained | Each of the Non-Executive Directors named above is a director of the Company |
| The maximum number of securities that may be acquired by all persons for whom approval is required, including the formula (if one is used) for calculating the number of securities to be issued | <p>The maximum number of Options that may be acquired by each of the newly-appointed Non-Executive Directors named above is as follows:</p> <ul style="list-style-type: none"> • 200,000 Options by Mr Joseph R. Swedish; and • 200,000 Options by Ms Shawn Cline Tomasello. <p>The Board considers that the aggregate value of the Options granted to each newly-appointed Non-Executive Director named above, based on a Black-Scholes option valuation methodology, is equal to approximately the current annual amount payable by the Company to a Non-Executive Director in director's fees.</p> <p>The maximum number of Options that may be acquired by the other Non-Executive Directors (Mr Brian Jamieson, Mr William Burns, Dr Eric Rose, Mr Michael Spooner and Mr Donal O'Dwyer) is a total aggregate of 590,000 Options across the group, to be allocated as follows:</p> <ul style="list-style-type: none"> • 150,000 Options to Mr Brian Jamieson; • 120,000 Options to Mr William Burns; • 120,000 Options to Dr Eric Rose; • 100,000 Options to Mr Donal O'Dwyer; and • 100,000 Options to Mr Michael Spooner. |

| | |
|---|---|
| The price (including a statement whether the price will be, or be based on, the volume weighted average market price or closing market price), or the formula for calculating the price, for each security to be acquired under the scheme | <p>Each Option will be granted for no consideration.</p> <p>Issue of Options to new Non-Executive Directors</p> <p>Each Option has an exercise price equal to the five-day volume weighted average share price of the five ASX trading days ending on, and including, the date of appointment of the director. The exercise price for Mr Swedish's options is \$1.52 per option and the exercise price for Ms Tomasello's options is \$1.56 per option.</p> <p>Issue of Options to other Non-Executive Directors</p> <p>Each Option will have an exercise price equal to the five-day volume weighted average share price of the five ASX trading days ending on, and including, the date of the AGM.</p> |
| The names of all persons referred to in ASX Listing Rule 10.14 who received securities under the scheme since the last approval, the number of the securities received and the acquisition price for each security | No person referred to in ASX Listing Rule 10.14 has been issued Options under the Company's Employee Share Option Plan since the last approval under the Listing Rules. |
| The names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the scheme | All Directors of the Company are entitled, under the terms of the Company's Employee Share Option Plan, to participate in that plan. However the decision to offer Options under the Plan is subject to Board approval and shareholder approval in accordance with ASX Listing Rule 10.14. |
| A voting exclusion statement | Details of the voting exclusions applicable to this resolution are set out in the 'Voting Exclusions' section of the Notes (see pages 5 to 6). |
| No loans | No loans are proposed in connection with the proposed issue of Options. |
| The date by which the entity will issue the securities, which must be no later than 12 months after the meeting | If the resolutions are approved by shareholders, the Options will be issued by 31 December 2018. |

Recommendation

The Directors do not make any recommendation on Resolutions 4(a) and 4(b) because of their personal interest in the subject matter of the Resolutions.

5. Subsequent Approval of Issues of Shares

a) NovaQuest Capital Management LLC

The Company is seeking the approval of shareholders for the purposes of ASX Listing Rule 7.4, in respect of the issue of shares that has been made by the Company in the last 12 months as set out in the following table:

| | |
|---|---|
| Persons to whom the issue was made | NovaQuest Capital Management LLC |
| Date of issue | 10 July 2018 |
| Number of shares issued | 8,474,576 |
| Issue price | A\$1.60 per share |
| Terms of shares issued | Fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares. The full amount of shares are to be held in voluntary escrow until 10 July 2019. |
| Use of the funds raised | Continued development and commercialization of the Company's allogeneic product candidate remestemcel-L (MSC-100-IV) for children with steroid refractory acute Graft versus Host Disease (aGvHD) |

The issue of the above shares was within the 15% limitation imposed by ASX Listing Rule 7.1. Under Listing Rule 7.1, the Company may issue up to 15% of its ordinary share capital in any 12-month rolling period without shareholder approval, unless an exception in ASX Listing Rule 7.2 applies.

As noted above, shareholder approval is now being sought for the purposes of ASX Listing Rule 7.4.

ASX Listing Rule 7.4 permits a company to obtain subsequent approval of a prior issue of securities from its shareholders. Such subsequent approval means the prior issue of securities is treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1, and thereby refreshes the Company's ability in the future to issue up to 15% of its share capital without obtaining prior shareholder approval to the extent of the number of shares being approved under this resolution.

Recommendation

The Directors recommend that shareholders vote in favour of this resolution.

b) **Tasly Pharmaceutical Group Co Ltd**

The Company is seeking the approval of shareholders for the purposes of ASX Listing Rule 7.4, in respect of the issue of shares that has been made by the Company in the last 12 months as set out in the following table:

| | |
|---|--|
| Persons to whom the issue was made | Tasly Pharmaceutical Group Co Ltd |
| Date of issue | 12 October 2018 |
| Number of shares issued | 14,464,259 |
| Issue price | A\$1.86 per share |
| Terms of shares issued | Fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares. The full amount of shares are to be held in voluntary escrow until 12 October 2019. |
| Use of the funds raised | Continued development of Mesoblast's mesenchymal lineage cell technology platform |

The issue of the above shares was within the 15% limitation imposed by ASX Listing Rule 7.1. Under Listing Rule 7.1, the Company may issue up to 15% of its ordinary share capital in any 12-month rolling period without shareholder approval.

As noted above, shareholder approval is now being sought for the purposes of ASX Listing Rule 7.4.

ASX Listing Rule 7.4 permits a company to obtain subsequent approval of a prior issue of securities from its shareholders. Such subsequent approval means the prior issue of securities is treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1, and thereby refreshes the Company's ability in the future to issue up to 15% of its share capital without obtaining prior shareholder approval to the extent of the number of shares being approved under this resolution.

Recommendation

The Directors recommend that shareholders vote in favour of this resolution.

6. Increase in Directors' Fees Pool

The Directors consider that the aggregate amount of Directors' fees to be paid out of the funds of the Company by way of remuneration to Non-Executive Directors for their services as non-executive directors of the Company should be increased from the current aggregate maximum of \$1,250,000 per annum previously approved by shareholders at the 2013 AGM, to an aggregate maximum sum of \$1,500,000 per annum, being an increase of \$250,000 per annum or 20%.

Shareholders should note that increasing the limit or cap prescribed in respect of the aggregate Non-Executive Directors fees does not mean that shareholders are approving an increase in the fees payable to each current Non-Executive Director. The Company has established a remuneration committee which regularly reviews salaries/fees for all employees (including Non-Executive Directors). Our remuneration policy with respect to Non-Executive Directors' fees is set out in the Remuneration Report section of the Director's Report, included in the Annual Report.

The aggregate of Directors' fees was most recently approved by shareholders on 15 November 2013, to allow for the appointment of additional directors to the Board.

On 15 April 2013, Dr Eric Rose was appointed to the Board, increasing the number of Directors from five to six. Then on 6 March 2014, Mr William Burns became a Director of the Company, taking the total number of Directors from six to seven.

In 2018, the Company welcomed two new Directors to the Board, namely Mr Joseph R. Swedish (as replacement to Dr Ben-Zion Weiner on 18 June 2018) and Ms Shawn Cline Tomasello (on 11 July 2018). Both Mr Swedish and Ms Tomasello are standing for election by shareholders at this AGM. If elected, the Board of Directors will stand at eight members.

The current Directors' fees pool leaves the Company no capacity to appoint any further Directors to the Board. Whilst it is not the Company's current intention to expand the Board, the Company is committed to continually reviewing its skills, expertise, location and diversity of Board members to ensure it has the capability to fulfil its obligations to shareholders.

The Board considers that having an increased maximum remuneration pool provides the flexibility to appoint additional Directors should it consider this to be in the best interests of the Company at a future time.

For these reasons, the Board has resolved to seek this increase in the Directors' fees pool.

No Options or other securities have been issued to Directors in the preceding three years which required approval by resolution of shareholders for the purposes of ASX Listing Rule 10.11 or 10.14.

Shareholder approval

ASX Listing Rule 10.17 and clause 15.4(a) of the Company's Constitution require shareholder approval to be obtained for any proposed increase in the total pool of Directors' fees.

Recommendation

The Directors recommend that shareholders vote in favour of this resolution.

7. Renewal of Proportional Takeover Approval Provisions in the Company's Constitution

The Corporations Act permits a company to include provisions in its constitution prohibiting the registration of a transfer of securities under a proportional takeover bid, unless the relevant holders of the securities in a general meeting approve the bid. A proportional takeover bid means an off-market bid for a specified proportion of the company's securities held by each member in a class for which a takeover bid has been made. It is not a bid for all securities held by all members of that class, only part of the securities each member holds.

It is a requirement of the Corporations Act that such proportional takeover provisions in a company's constitution apply for a maximum period of three years, unless renewed earlier. The Company last renewed its proportional takeover provisions at its AGM in 2015.

The Directors consider it in the interests of shareholders to renew these provisions. Accordingly, a special resolution is being put to shareholders under sections 136 and 648G of the Corporations Act to renew clause 13 of the Company's Constitution and, if Resolution 8 is passed, to adopt the new Constitution with a corresponding provision in clause 30.

This is a special resolution and requires the approval of 75% of the votes cast by shareholders present and eligible to vote.

Effect of provisions proposed to be renewed

Clause 13 of the existing Constitution (and clause 30 of the proposed new Constitution) provides that the Company is prohibited from registering any transfer of shares giving effect to a contract of sale pursuant to a proportional takeover bid unless and until after the proposed transfer has been approved by members at a general meeting of the Company (**Approving Resolution**).

The person making the offer for the securities (Offeror) (and their associates) cannot vote on the Approving Resolution and the Approving Resolution requires the approval of more than 50% of members who are entitled to vote at the meeting.

Clause 13 also provides that:

- 13.4 – if, as at the end of the day before the 'Relevant Day' (being the day that is 14 days before the last day of the bid period) the Approving Resolution has not been voted upon, the Approving Resolution is deemed approved; and
- 13.5 – if the Approving Resolution is rejected, all unaccepted offers under the proportional takeover bid are deemed withdrawn and the Offeror must rescind each contract created as a result of the acceptance of an offer under that proportional takeover bid.

Reasons for the resolution

As noted above, the Corporations Act requires clause 13 of the Constitution to be renewed as it was last renewed in 2015.

In the Directors' view, members (and holders of any other relevant securities that the Company might issue) should have the opportunity to vote on a proposed proportional takeover bid for what might become control of the Company without the members having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). As a result, the relevant holders may not have the opportunity to dispose of all their securities, and risk being part of a minority interest in the Company or suffering loss if the takeover bid causes a decrease in the market price of the securities or makes the securities less attractive and, accordingly, more difficult to sell. Clause 13, as renewed, and clause 30 of the new Constitution, if adopted, would only permit this to occur with the approval of a majority of the relevant holders.

Awareness of current acquisition proposals

As at the date of this Notice, no Director is aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company.

The advantages and disadvantages of the proportional bid provisions since their adoption

As there have been no takeover bids made for any of the shares in the Company since the adoption of the proportional bid provisions, there has been no application of clause 13. It may be argued that the potential advantages and disadvantages described below have also applied for the period since adoption of clause 13.

Potential advantages and disadvantages of the proposed resolution for both Directors and shareholders

In addition to a discussion of the provisions proposed to be renewed, the Corporations Act also requires this Explanatory Memorandum to discuss the potential future advantages and disadvantages of the proposed rule for both Directors and members.

The Directors consider that there are no such advantages or disadvantages for them as they remain free to make a recommendation on whether a proportional takeover bid should be accepted.

For members, the potential advantages of clause 13 of the Constitution, as renewed, and clause 30 of the new constitution, if adopted, are that they will provide all relevant members with an opportunity to consider, discuss in a meeting called specifically for the purpose, and vote on whether a proportional takeover bid should be approved. This affords members an opportunity to have a say in the future ownership and control of the Company and helps the members to avoid being locked in a minority. The Directors believe this will encourage any proportional takeover bid to be structured so as to be attractive to at least a majority of the relevant members. It may also discourage the making of a proportional takeover bid that might be considered opportunistic. Finally, knowing the view of a majority of the relevant members may help each individual holder to assess the likely outcome of the proportional takeover bid and decide whether or not to accept an offer under the bid.

On the other hand, it may be argued that a potential disadvantage for members arising from clause 13, if renewed, is that proportional takeover bids may be discouraged by the further procedural steps that the rule will entail and, accordingly, this may reduce any takeover speculation element in the price of the Company's securities. Shareholders may be denied an opportunity to sell a portion of their securities at an attractive price where the majority rejects an offer from persons seeking control of the Company.

Relationship with proposed new Constitution

The proposed new constitution also contains a proportional takeover approval provision in clause 30. The above disclosures are therefore also made for the purposes of Resolution 8 in this Notice of Meeting which is a special resolution for the adoption of the new Constitution.

Recommendation

On balance, the Directors are of the view that the advantages of renewing the proportional bid provisions outweigh the disadvantages. The Directors recommend that shareholders vote in favour of this resolution.

8. Adoption of New Constitution

Why are we proposing to adopt a new Constitution?

The existing Constitution was adopted in 2004 and last amended in 2010. Since then, there have been a number of changes to applicable regulatory requirements (including the Corporations Act, ASX Listing Rules, as well as developments in general corporate governance practice for major ASX listed companies). In light of this, the Directors believe it appropriate to revise and update the Constitution in a number of ways. The proposed changes affect a range of provisions of the Constitution. The Directors therefore consider it more efficient for shareholders to adopt a new Constitution, rather than making numerous amendments to the existing Constitution. Unless otherwise stated, the clause numbers referred to in these Explanatory Notes are those in the proposed Constitution.

What are the differences between the existing Constitution and the proposed new Constitution?

The main differences between the existing and proposed Constitutions relate to:

- (i) general meeting procedure – in particular facilitation of hybrid meetings and the adoption of technological means of conducting meetings, as well as including greater clarity around meeting procedure;
- (ii) in particular, allowing for procedures to accommodate 'direct votes' by shareholders, that is, remote voting by shareholders who are not necessarily present in person at the meeting;
- (iii) allowing greater informality in how Directors conduct meetings and pass resolutions including reliance on modern technology;
- (iv) allowing Directors to declare rather than only determine (without declaration) to pay dividends and expressly enabling the payment of interim dividends;
- (v) amending the shareholder approval requirement for a reduction of capital so that it reflects the requirements of the Corporations Act (a simple majority of votes cast for equal reductions and a special resolution (75% of votes cast) for most other reductions) rather than the current provision in the existing constitution requiring a special resolution in all cases (75% of votes cast);
- (vi) ensuring reductions of capital as well as dividends can be satisfied by the in specie distribution and transfer of assets (such as shares in a subsidiary) together with administrative provisions to accommodate such distributions; and
- (vii) giving the Company specific power to enforce shareholder and director disclosure to the Company of shareholdings where disclosure by the Company is required by the ASX Listing Rules.

There are a number of other differences between the existing and proposed Constitutions which are not summarised or referred to below because they do not materially alter the effect of the existing Constitution.

No changes are proposed to:

- (i) the minimum or maximum number of directors;
- (ii) nomination deadlines for candidates for board appointment; or
- (iii) the level of executive or non-executive director remuneration authorised by the Constitution.

How to obtain a copy of the proposed new Constitution

Copies of the proposed new Constitution are available prior to the Meeting:

- (i) on the Company's website, www.mesoblast.com; and
- (ii) by telephoning the Company's Share Registry, Link Market Services, on +61 1300 554 474 and requesting a copy of the document (free of charge).

A copy of the new Constitution will also be available for inspection by shareholders at the AGM.

How must the new Constitution be approved?

The proposed resolution for adoption of the new Constitution must be approved by a special resolution.

A special resolution must be passed by at least 75 per cent of the votes cast by shareholders present (whether in person, or by proxy, attorney or representative) and entitled to vote on the resolution.

Recommendation

The Directors unanimously recommend shareholders vote in favour of adoption of the proposed new Constitution.

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LODGE YOUR VOTE

| |
|--|
|  ONLINE www.linkmarketservices.com.au |
|  BY MAIL Mesoblast Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia |
|  BY FAX +61 2 9287 0309 |
|  BY HAND Link Market Services Limited 1A Homebush Bay Drive, Rhodes NSW 2138; or Level 12, 680 George Street, Sydney NSW 2000 |
|  ALL ENQUIRIES TO Telephone: +61 1300 554 474 |

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by 3.00pm (Melbourne Time) on **Wednesday, 28 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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

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

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2007) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

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



X9999999999

PROXY FORM

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

APPOINT A PROXY

STEP 1

the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 3.00pm (Melbourne time) on Friday, 30 November 2018 at MinterEllison, Level 23, Rialto Towers, 525 Collins Street, Melbourne, Victoria 3000, Australia (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 3, 4a, 4b and 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3, 4a, 4b and 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolutions

| Resolutions | For Against Abstain* | | | Resolutions | For Against Abstain* | | |
|--|--------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|--------------------------|
| | | | | | | | |
| 2a Election of Mr Joseph R. Swedish as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 5b Approval of Issue of Shares to Tasty Pharmaceutical Group Co Ltd | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2b Election of Ms Shawn Cline Tomassello as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6 Increase in Directors' Fees Pool | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2c Re-election of Mr Brian Jamieson as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7 Renewal of Proportional Takeover Approval Provisions in the Company's Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2d Re-election of Mr Michael Spooner as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8 Adoption of New Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Adoption of the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 4a Approval of Proposed Issue of Options to newly-appointed directors Mr Joseph R. Swedish and Ms Shawn Cline Tomassello | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 4b Approval of Proposed Issue of Options to other Non-Executive Directors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 5a Approval of Issue of Shares to NovaQuest Capital Management LLC | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

STEP 3

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

MSB PRX1801D



Cellular Medicines for Intractable Serious and Life-Threatening Diseases

Bell Potter 2018 Emerging Leaders Conference

Sydney Australia, October 2018

Nasdaq: MESO ASX: MSB

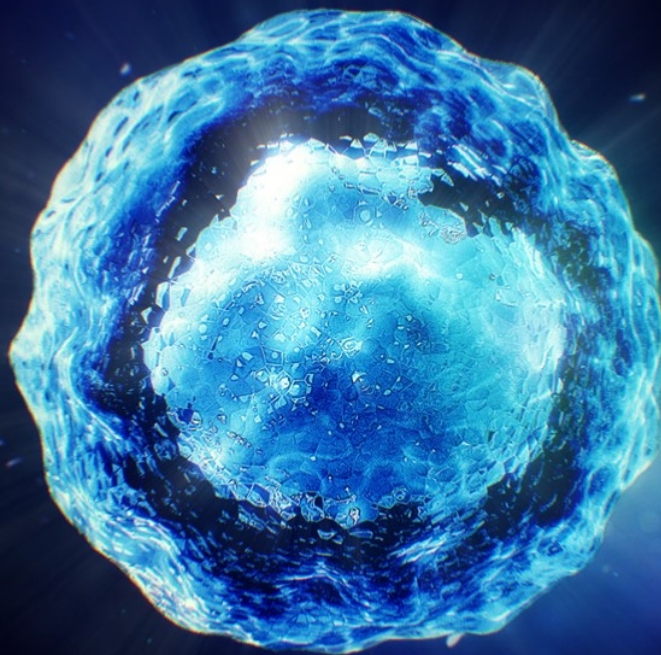


CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical facts contained in this presentation are forward-looking statements. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could," and similar expressions or phrases identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and future events, recent changes in regulatory laws, and financial trends that we believe may affect our financial condition, results of operation, business strategy and financial needs. These statements may relate to, but are not limited to: expectations regarding the safety or efficacy of, or potential applications for, Mesoblast's adult stem cell technologies; expectations regarding the strength of Mesoblast's intellectual property, the timeline for Mesoblast's regulatory approval process, and the scalability and efficiency of manufacturing processes; expectations about Mesoblast's ability to grow its business and statements regarding its relationships with current and potential future business partners and future benefits of those relationships; statements concerning Mesoblast's share price or potential market capitalization; and statements concerning Mesoblast's capital requirements and ability to raise future capital, among others. Forward-looking statements should not be read as a guarantee of future performance or results, and actual results may differ from the results anticipated in these forward-looking statements, and the differences may be material and adverse. You should read this presentation together with our financial statements and the notes related thereto, as well as the risk factors, in our most recently filed reports with the SEC or on our website. Uncertainties and risks that may cause Mesoblast's actual results, performance or achievements to be materially different from those which may be expressed or implied by such statements, include, without limitation: risks inherent in the development and commercialization of potential products; uncertainty of clinical trial results or regulatory approvals or clearances; government regulation; the need for future capital; dependence upon collaborators; and protection of our intellectual property rights, among others. Accordingly, you should not place undue reliance on these forward-looking statements. We do not undertake any obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Our Mission

Mesoblast is committed to bring to market disruptive cellular medicines to treat serious and life-threatening illnesses





Disruptive Technology Platform¹

- Immuno-selected, culture expanded cellular medicines
- Well characterized mechanisms of action targeting multiple pathways
- Extensive, robust IP estate
- Targeting the most severe disease states refractory to conventional therapies

Industrial Scale Manufacturing

- Unique cell properties enable large scale expansion and use in unrelated recipients
- Proprietary media formulations meet industrial scale needs
- 'Off the shelf' delineated products with batch to batch consistency and reproducibility

Multiple Revenue Generating Products & Phase 3 Assets

- 2 approved products commercialized by licensees in Japan² and Europe³
- 3 product candidates in U.S. Phase 3
- Major near-term data readouts
- Revenue from licensees will help fund deep product pipeline

1. Mesenchymal precursor cells (MPCs) and their culture-expanded progeny mesenchymal stem cells (MSCs).

2. Licensee JCR Pharmaceuticals Co., Ltd. received the first full PMDA approval for an allogeneic cellular medicine in Japan and markets this product under their trademark, TEMCELL® Hs Inj.

3. Licensee Takeda received first central marketing authorization approval from the European Commission for an allogeneic stem cell therapy and markets this product under their trademark, Alofisel®.

Commercial Translation Capabilities

Technology positioned for scalable, industrialized manufacturing

- Immune privileged nature of mesenchymal lineage cells enables allogeneic “off the shelf” product candidates
- Culture expansion scalable to produce anticipated commercial quantities
- Management know-how in regulatory activities necessary for product approval and commercial launch
- If successful, we believe MSC-100-IV (remestemcel-L) will likely be the first commercially produced allogeneic mesenchymal lineage cell product registered for sale in the USA



Lonza contract manufacturing facility in Singapore

Global IP Estate Provides Substantial Competitive Advantage

- ~800 Patents and patent applications (69 Patent families) across all major jurisdictions
- Covers composition of matter, manufacturing, and therapeutic applications of mesenchymal lineage cells
- Enables licensing to third parties for different indications, when in alignment with our corporate strategy, eg TiGenix (subsequently acquired by Takeda)
- Provides strong global protection against competitors seeking to develop products in areas of core commercial focus for Mesoblast



Markets
U.S., Europe,
China, and
Japan

Sources
Allogeneic, Autologous,
(Bone Marrow, Adipose,
Dental Pulp, Placenta),
Pluripotent
(iPS)

Diseases
All Tier 1 & Tier 2
Indications, and multiple
additional conditions

Commercial Products and Clinical Pipeline Using Mesoblast's Intellectual Property and Technology Platform

| PLATFORM | PRODUCT | THERAPEUTIC AREA | APPROVAL | COMMERCIAL RIGHTS |
|----------------------|---------------------------------|------------------|--|-------------------|
| MSC (Bone Marrow) | TEMCELL® HS Inj ¹ | Acute GVHD | 1st allogeneic regen med approved in Japan ✓ | JCR Japan |
| MSC (Adipose) | Alofisel ² | Perianal Fistula | 1st allogeneic regen med approved in Europe ✓ | Takeda Global |

MARKETED

| | PLATFORM | PRODUCT CANDIDATE | THERAPEUTIC AREA | PRE-CLINICAL | PHASE 2 | PHASE 3 | COMMERCIAL RIGHTS |
|--------|---|-------------------|--|----------------|---------|---------|--|
| TIER 1 | MSC | MSC-100-IV | Acute GVHD | [Progress bar] | | | mesoblast the regenerative medicine company |
| | MPC | MPC-150-IM | Advanced HF (Class II/III) End-Stage HF (Class III/IV) ³ | [Progress bar] | | | mesoblast the regenerative medicine company TASLY China ⁴ |
| | MPC | MPC-06-ID | Chronic Low Back Pain | [Progress bar] | | | mesoblast the regenerative medicine company |
| | MPC | MPC-300-IV | Rheumatoid Arthritis Diabetic Nephropathy | [Progress bar] | | | mesoblast the regenerative medicine company |
| TIER 2 | Includes MSC-100-IV (Crohn's disease – biologic refractory), MPC-25-IC (Acute Cardiac Ischemia), MPC-25-Osteo (Spinal Fusion) and MPC-75-IA (Knee Osteoarthritis) | | | | | | |

IN DEVELOPMENT

1. Mesoblast receives royalty income from its licensee JCR Pharmaceuticals Co Ltd on sales of JCR's TEMCELL® HS Inj, product in Japan
 2. Mesoblast will receive royalty income from its licensee Takeda Pharmaceuticals on Takeda's worldwide sales of its product Alofisel® in the local treatment of perianal fistulae
 3. Study funded by the United States National Institutes of Health (NIH) and the Canadian Health Research Institute; conducted by the NIH-funded Cardiothoracic Surgical Trials Network
 4. Tasy's rights are limited to China; Tasy also has rights to develop MPC-25-IC for AMI

This chart is figurative and does not purport to show individual trial progress within a clinical program



Diverse Pipeline of Cellular Medicines



**MSC-100-IV (remestemcel-L)
for Steroid-Refractory
Acute Graft vs Host Disease**



Remestemcel-L: Market Opportunity for Acute Graft Versus Host Disease (aGVHD)



Burden of Illness

- aGVHD is a life-threatening complication that occurs in ~50% of patients receiving allogeneic bone marrow transplants (BMT)¹
- Steroid-refractory aGVHD is associated with **mortality rates as high as 95%¹ and significant extended hospital stay costs²**

Minimal Treatment Options

- There are **no approved treatments for SR-aGVHD outside Japan**
- In Japan, Mesoblast's licensee has received the only product approval for SR-aGVHD in both children and adults

Market Opportunity

- Greater than 30,000 allogeneic BMTs performed globally (>20K US/EU) annually, ~20% pediatric^{3,4}
- Our licensee, JCR Pharmaceuticals Co., Ltd launched TEMCELL[®] HS Inj.⁵ in Japan for SR-aGVHD in 2016; reimbursed up to ~\$USD195k⁶
- **SR-aGVHD represents a USD > \$700m USA/EU market opportunity^{4,7}**



1. Westin, J., Saliba, RM., Lima, M. (2011) Steroid-refractory acute GVHD: predictors and outcomes. *Advances in Hematology*. 2. Anthem-HealthCore/Mesoblast claims analysis (2016). Data on file 3. Niederwieser D, Baldomero H, Szer J. (2016) Hematopoietic stem cell transplantation activity worldwide in 2012 and a SWOT analysis of the Worldwide Network for Blood and Marrow Transplantation Group including the global survey. 4. Source: CIBMTR. Current Uses and Outcomes of Hematopoietic Cell Transplantation 2017 Summary. Passweg JR, Baldomero, H (2016) Hematopoietic stem cell transplantation in Europe 2014: more than 40,000 transplants annually. 5. TEMCELL is the registered trademark of JCR Pharmaceuticals Co. Ltd. 6. Based on a ¥/PY = \$USD 0.009375 spot exchange rate on market close on November 11, 2016. Amounts are rounded. Source: Bloomberg. 7. Data on file

Remestemcel-L: Product Development Strategy



1. Target **pediatric** patients with SR-aGVHD first
 - Extensive safety and efficacy data generated and published in children with SR-aGVHD^{1,2}
 - High economic burden in treatment of children with SR-aGVHD
 - Fast-track designation provides pathway for priority review and rolling review process
 - Submit single, open-label Phase 3 trial seeking regulatory approval
2. Seek label extension for high-risk **adult** patients with SR-aGVHD
 - This adult subset has the highest mortality and greatest resistance to other treatment agents
 - High economic burden in treating this population subset
 - Remestemcel-L has shown efficacy signals in subgroup analyses of this population
3. Lifecycle potential in **chronic** GVHD (cGVHD)
 - Chronic GVHD represents a distinct GVHD patient population
 - Proof of concept data already published for MSC in cGVHD³

1. Allogeneic Human Mesenchymal Stem Cell Therapy (Remestemcel-L) as a Rescue Agent for Severe Refractory Acute Graft-versus-Host Disease in Pediatric Patients - Biology of Blood and Marrow Transplantation Journal, August 2013.
2. Khandelwal P, Teusink-Cross A, Davies S (2017) Ruxolitinib as Salvage Therapy in Steroid-Refractory Acute Graft-versus-Host Disease in Pediatric Hematopoietic Stem Cell Transplant Patients. Biol Blood Marrow Transplant 23; 1122-1127.
3. Weng JY, Du X, Geng SX, Peng YW, Wang Z, Lu ZS et al. Mesenchymal stem cell as salvage treatment for refractory chronic GVHD. Bone Marrow Transplant 45: 1732-1740 (2010).

Remestemcel-L: Phase 3 Trial Operational Update



- Phase 3 study evaluated remestemcel-L in 55 children to improve overall response rate and survival
 - 89% of children had grade C/D disease, the most severe form and historically associated with up to 95% mortality
- Study successfully met the primary endpoint of improved Day 28 Overall Response (OR)
 - 69% vs 45% protocol-defined historical control rate (p=0.0003)
- Day 100 Overall Survival 75%, with 87% survival in Day 28 responders
- Day 180 Overall Survival 69%, with 79% survival in Day 28 responders
- Remestemcel-L infusions well tolerated
- Findings consistent with previous results in 241 SR-aGVHD children under expanded access program who failed to respond to multiple biologic agents¹

1. Kurtzberg J, et al. Effect of Human Mesenchymal Stem Cells (remestemcel-L) on Clinical Response and Survival Confirmed in a Large Cohort of Pediatric Patients with Severe High-Risk Steroid-Refractory Acute Graft Versus Host Disease. *BBMT*. 2016; 22.

GVHD Pathway to Market

Regulatory

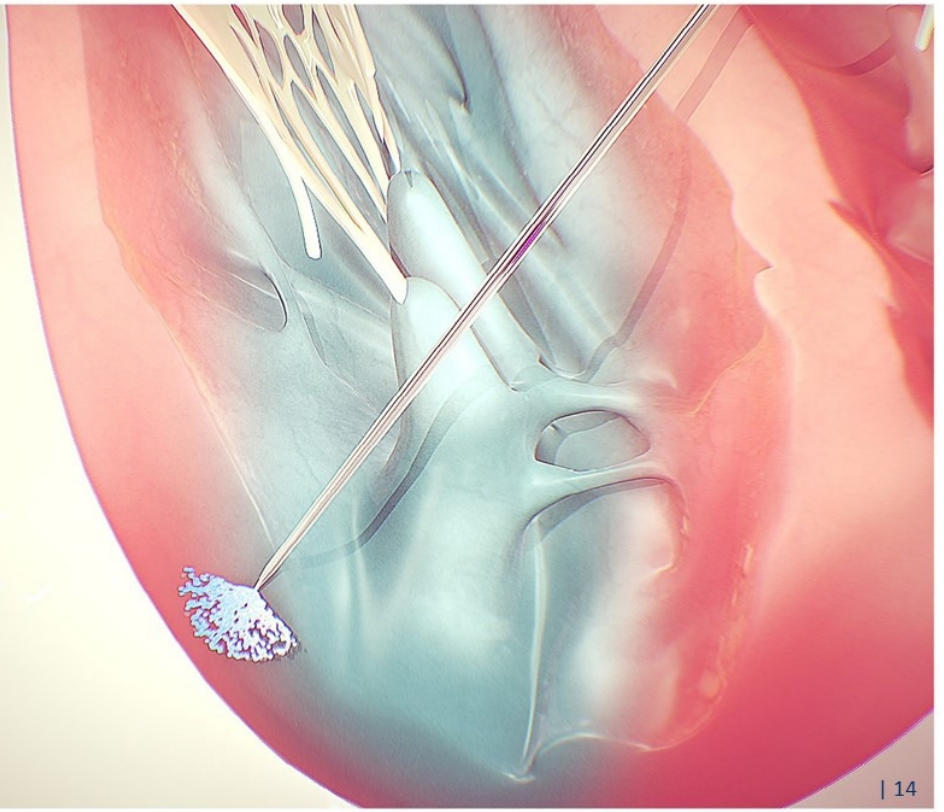
- Preparations for Biologics License Application (BLA) filing underway
- Pre-BLA meeting targeted Q4 CY2018
- Fast Track designation allows eligibility for priority review and rolling BLA review process

Commercial

- Parallel track commercial planning for pricing, reimbursement approach and product launch
- Leverage TEMCELL[®] HS Inj. sales experience in Japan to inform commercial strategy for the US

152% increase in annual royalty income on TEMCELL[®] HS Inj. sales in Japan
Rapid adoption within two years of launch

**MPC-150-IM for
Chronic Heart Failure**

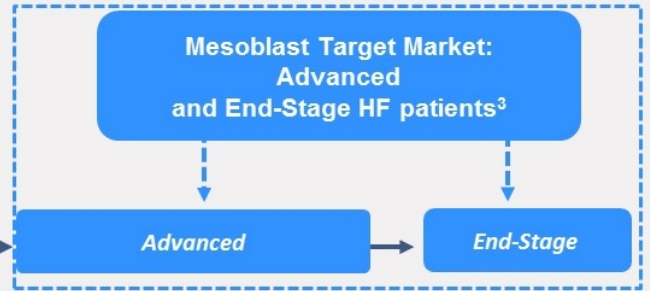


Common Treatment Pathway in Progressive Heart Failure¹

- Early**
- ACEI or ARB
 - Statins
 - Beta blockers
 - Re-vascularization or valvular surgery

- Pharmacological Add-on**
- Diuretics for fluid retention
 - Aldosterone antagonists
 - Hydralazine / isosorbide dinitrate
 - Digitalis

- New Oral Therapies for Class II-IV²**
- If ACEI / ARB tolerated, sacubitril/valsartan
 - If HR > 70 BPM, ivabradine



Limited Therapeutic Options

- Cardiac Resynchronization Therapy (CRT)
- Implantable Cardioverter-Defibrillator (ICD)
- LVAD
- Heart transplants

Class I

Heart Failure Disease Progression

Class IV

1. Source: Simon-Kucher & Partners 2017. Primary research 2017; Payers n=35, KOLs n=15, Cath lab managers n=4.
 2. Corlanor® (ivabradine) approved by FDA (April 2015). ENTRESTO® (sacubitril/valsartan) approved by FDA (July 2015).
 3. GlobalData-PharmaPoint. Heart Failure (2016); McIlmurray et al., 2012; Yancy et al., 2013, 2016 ACC/AHA/HFSA Focused Update on New Pharmacological Therapy for Heart Failure: An Update of the 2013 ACCF/AHA Guideline for the Management of Heart Failure.

MPC-150-IM: Advanced Heart Failure Market Opportunity

Burden of Illness/Limited Options

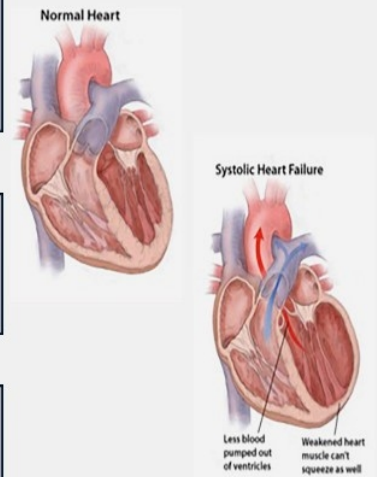
- ~ 8 million patients with chronic heart failure by 2030 in USA alone¹
- 17-45% globally die within 1 year of hospital admission¹
- Majority of advanced heart failure patients die within 5 years¹
- Despite recent advances in newly approved drugs, limited treatment options are available for patients with advanced heart failure²

Unmet Need

- New therapies to reduce hospitalizations and mortality in patients with advanced heart failure who have failed other therapies
- Greatest need is in NYHA class III/IV where event rate is highest

Market Opportunity

- US healthcare costs for NYHA class II-IV patients \$115bn/year⁵
- Hospitalizations account for ~69% of expenditure³⁻⁵
- **Multi-billion dollar annual market opportunity in USA for a new treatment that reduces hospitalizations in advanced heart failure^{4,5}**



1. Heart Failure: Preventing disease and death worldwide – European Society of Cardiology. 2014. 2. ACC/AHA/HFSA Focused Update on New Pharmacological Therapy for Heart Failure: An Update of the 2013 ACCF/AHA Guideline for the Management of Heart Failure. 3. Gurwitz JH, Magid DJ, Smith DH, et al. Contemporary Prevalence and Correlates of Incident Heart Failure with Preserved Ejection Fraction. The American Journal of Medicine. 2013;126(5):393-400. Derived by applying a HF-REF prevalence rate of 32.6% to the U.S. rate of 5.7m U.S. patients. 4. A Reevaluation of the Costs of Heart Failure and its Implications for Allocation of Health Resources in the United States. Voigt J. Clinl Cardiol. 37, 5, 312-321 (2014). 5. The Medical and Socioeconomic Burden of Heart Failure: A Comparative Delineation with Cancer. Dimitrios, F. International Journal of Cardiology (2015), doi: 10.1016/j.ijcard.2015.10.172.

MPC-150-IM: Phase 3 Program in Patients with Advanced Heart Failure

- 85% of patients enrolled in events-driven USA Phase 3 trial, targeting approx. 600 patients
- Pre-specified interim futility analysis of the efficacy endpoint in the first 270 patients was successfully achieved in April 2017
- In April 2018, Data Monitoring Committee recommended continuation of the trial without modification after a scheduled review of available data from 465 randomized patients, including the primary and secondary endpoints of HF-MACE, terminal cardiac events, and all safety data
- Planning to initiate China Phase 3 trial in similar patient population with Tasly Pharmaceutical Group

Plan to leverage USA and global Phase 3 trial results performed by strategic partners for global regulatory submissions

MPC-150-IM: End-Stage Heart Failure Market Opportunity

Burden of Illness/Limited Options

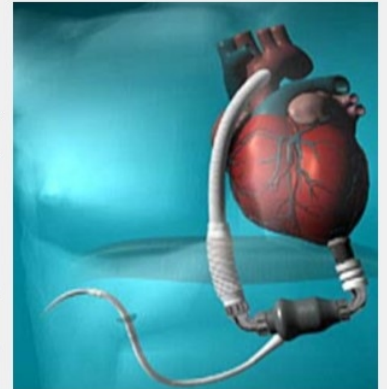
- ~50k new patients/year in USA alone have end-stage heart failure¹
- 1-year mortality can exceed 50% in these patients²
- Only ~2K - 3K heart transplants are performed in USA annually due to limited donors^{3,4}
- LVADs have improved survival, but have high morbidity and 1-year mortality 20-30%¹
- ~5,000—cardiac assist devices annually in the USA due to high morbidity and no option to explant^{4,5}

Unmet Need/ Orphan Indication

- Reduce morbidity of LVAD therapy (e.g. reduce GI bleeding)
- Strengthen native heart muscle sufficiently to explant LVAD
- Increase use of LVADs in this vulnerable population

Market Opportunity

- US LVAD market growing double-digit CAGR⁴
- US targeted commercial footprint (top 40 centers represent 75% of volume) provides low cost market entry³
- **Est. USD >\$500m USA market opportunity**^{4,5,6}



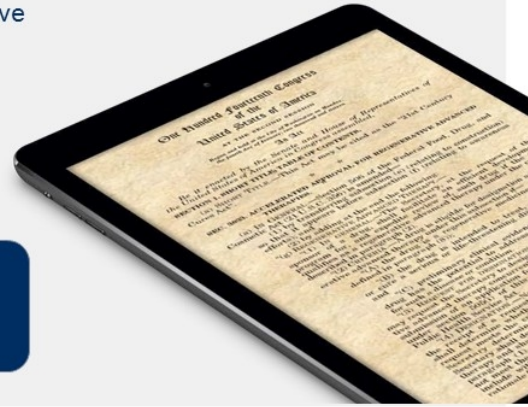
1. Gustafsson G, Rogers J. (2017) Left ventricular assist device therapy in advanced heart failure: patient selection and outcomes. *European Journal of Heart Failure* 19, 595-602. 2. Agency for Healthcare Research and Quality; HCUPnet: ICD-9 principal procedure code 27.51 2014. 3. Medicare provider charge inpatient-DRGALL-FY2014. 4. St. Jude Medical-2016-analyst and investor day. 4. United Network for Organ Sharing – <https://www.unos.org> 5. Agency for Healthcare Research and Quality – Healthcare Cost and Utilization Project – <https://www.ahrq.gov/data/hcup/index.html> 6. Data on file

The 21st Century Cures Act (Cures Act)

Legislation for An Expedited Approval Path for Cellular Medicines Designated as Regenerative Medicine Advanced Therapies (RMAT)

- Cellular medicines may be designated as regenerative advanced therapies, if they are intended to treat, modify, reverse, or cure a serious or life-threatening disease or condition, and there is preliminary clinical evidence indicating the potential to address the unmet medical need
- Key benefits of the legislation for cell-based medicines, designated as regenerative advanced therapies, include:
 - Potential eligibility for priority review and accelerated approval
 - Potential to utilize surrogate endpoints for accelerated approval
 - Potential to utilize patient registry data and other sources of “real world evidence” for post approval studies, subject to approval by the FDA

MPC-150-IM for End-Stage Heart Failure Patients with LVADs Received RMAT Designation



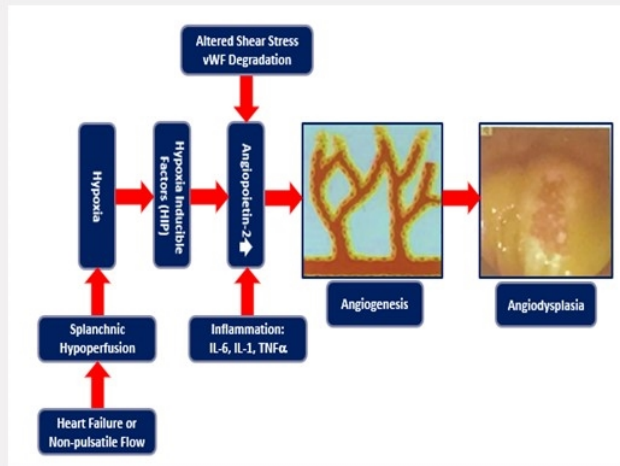
INTERMACS* Adverse Event Rates in LVAD Patients: the most common cause of non-surgical hospitalization is major GI bleeding¹

| Adverse Event | Events | Rate |
|-----------------------------|--------|-------|
| Bleeding | 4,420 | 7.79 |
| Cardiac/vascular | | |
| Right-sided heart failure | 276 | 0.49 |
| Myocardial infarction | 34 | 0.06 |
| Cardiac arrhythmia | 2,303 | 4.06 |
| Pericardial drainage | 305 | 0.54 |
| Hypertension | 115 | 0.20 |
| Arterial non-CNS thrombosis | 94 | 0.17 |
| Venous thrombotic event | 286 | 0.50 |
| Hemolysis | 314 | 0.55 |
| Infection | 4,132 | 7.28 |
| Stroke | 916 | 1.61 |
| Renal dysfunction | 876 | 1.54 |
| Hepatic dysfunction | 326 | 0.57 |
| Respiratory failure | 1,551 | 2.73 |
| Wound dehiscence | 96 | 0.17 |
| Psychiatric episode | 525 | 0.93 |
| Total burden | 16,569 | 29.20 |

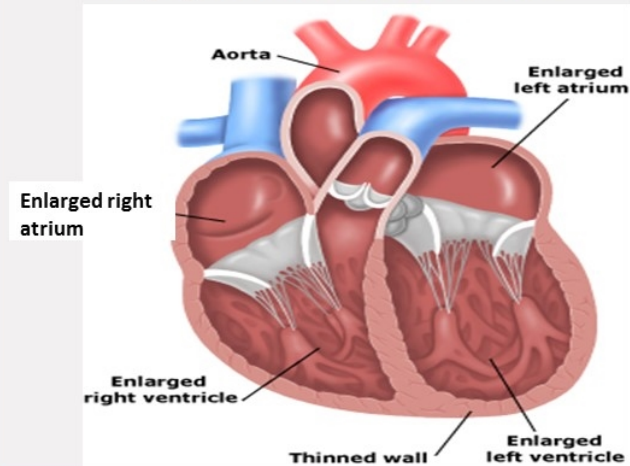
*Interagency Registry for Mechanically Assisted Circulation (INTERMACS): Events per 100 Patient-Months in the First 12 Months Post-Implant, based on 7,286 patients with CF-LVADs between 2012-2014.

GI Bleeding in LVAD Patients due to Inflammation-Related Abnormal GI Blood Vessels and Right Heart Dysfunction

GI Vascular Abnormalities (Dysplasia and Leakiness) Are Due To Increased Inflammation



GI Bleeding Is Due To Right Ventricular Dysfunction And Engorgement of Abnormal GI Vessels



Proposed mechanism of action for MPC-150-IM: reduce GI bleeding through both reduction in inflammation and strengthening of native heart function

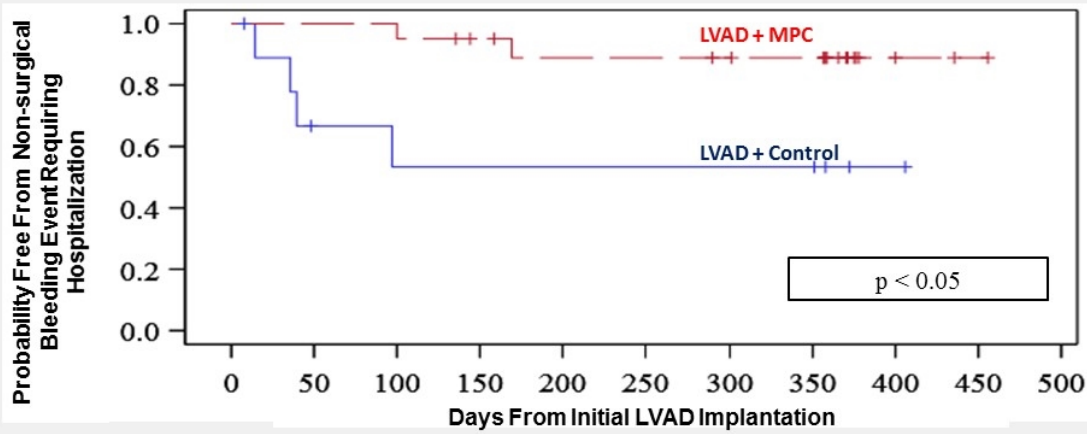
Pilot Trial of Low-Dose MPCs in LVAD Patients Showed Reduced Hospitalization and Strengthened Native Heart Function¹



- 30-patient 2:1 randomized, controlled trial of 25M MPCs vs saline injection into native heart at time of LVAD
- MPC group had prolonged median time to first hospitalization (91 days) vs control group (51 days)
- 50% of MPC vs. 20% of control patients tolerated temporary LVAD wean at 90 days
- At 90 days, 30% (3/10) of controls expired compared to 0% (0/20) treated patients
- Using Bayesian approach, posterior probability that MPCs increased likelihood of successful wean at 90 days was 93%
- No cell-related safety events observed

1.Source: Ascheim DD et al. Circulation. 2014;129:2287-2296.

Post-Hoc Analyses of Results from Pilot Trial of Low-Dose MPCs in LVAD Patients Show Reduction in Hospitalization due to GI Bleeding¹



- MPC group had significantly longer time to first hospitalization due to major GI bleeding ($p < 0.05$, Kaplan-Meier statistics)
- 71% reduction in number of patients with at least one hospitalization from GI bleeding through 6 months (16% in LVAD group vs 55% in controls, $p = 0.03$ by chi-square test)
- 70% reduction in rate of hospitalizations due to GI bleeding per 100 patient-months of follow-up (4.2 in LVAD group vs 14.2 in controls, $p = 0.06$ by binomial test)

1. Source: Data on file

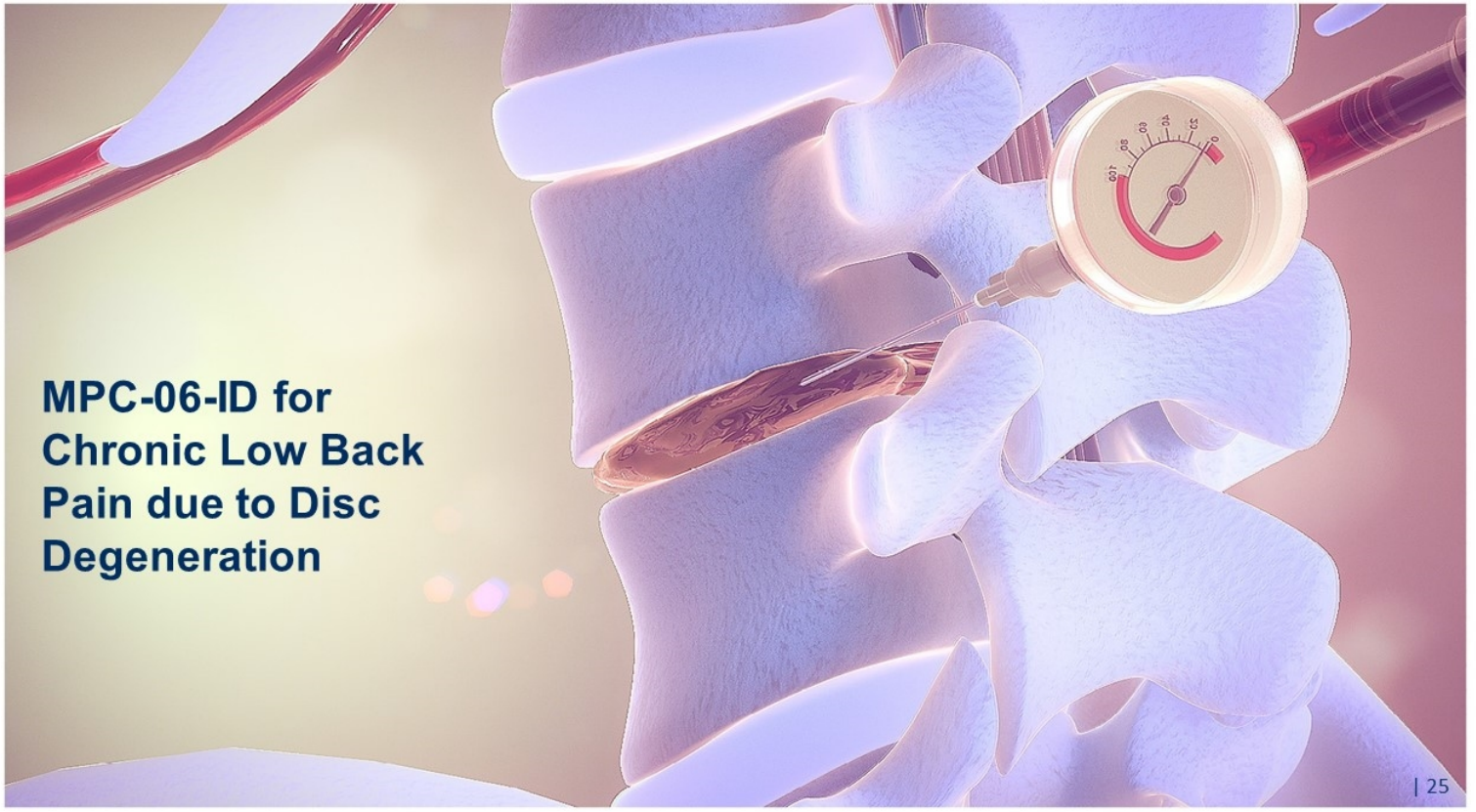
MPC-150-IM: Phase 2b Trial of High-Dose MPCs in End-stage Heart Failure Patients with LVADs

- 159-patient, double-blind, placebo-controlled 2:1 randomized Phase 2b trial, evaluating safety and efficacy of a single injection of MPC-150-IM (150 million allogeneic MPCs) into the native myocardium of LVAD recipients
- Study funded by the US National Institutes of Health (NIH) and Canadian Health of Research Institute, and conducted by the NIH-funded Cardiothoracic Surgical Trials Network (CTSN)
- Enrollment completed in Q3 CY2017; 12 month database locked in Q3 CY2018
- Study aims to confirm results seen in Pilot Trial with low-dose MPCs

- **End of study safety, efficacy and key clinical outcomes will be presented by the trial's independent investigators as a late-breaking presentation at the 2018 Scientific Sessions of the American Heart Association (Nov 11, 2018)**

Mesoblast is in discussions with the FDA under the Regenerative Medicine Advanced Therapies (RMAT) designation granted in December 2017

**MPC-06-ID for
Chronic Low Back
Pain due to Disc
Degeneration**



MPC-06-ID: Chronic Low Back Pain due to Degenerative Disc Disease

Burden of Illness

- Back pain causes more disability than any other condition¹
- Inflicts substantial direct and indirect costs on the healthcare system,¹ including excessive use of opioids in this patient population²

Minimal Treatment Options

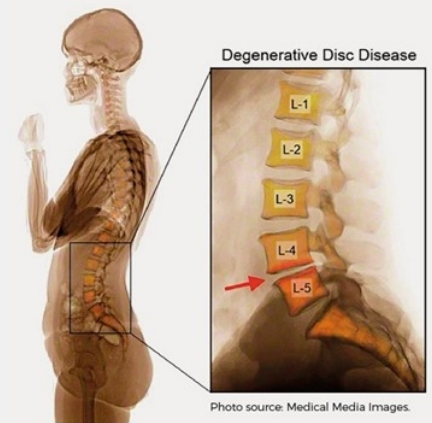
- Treatment options for patients with CLBP who fail conservative therapy include opioids and surgery
- 50% of opioid prescriptions are for chronic low back pain (CLBP)²

Unmet Need

- Disease modifying therapy for durable improvement in pain and function
- Potential to prevent progression to opioid use or surgical intervention

Market Opportunity

- MPC-06-ID development focused on over ~3.2m patients with CLBP due to degenerative disc disease (DDD) in US alone^{3,4,5}
- **USA market opportunity ~USD \$1 billion**^{3,4,5,6}



1. Williams, J., NG, Nawi, Peltzer, K. (2015) Risk factors and disability associated with low back pain in older adults in low-and middle-income countries. Results from the WHO Study on global ageing and adult health (SAGE). PLoS One. 2015; 10(6): e0127880. 2. Decision Resources: Pain Management Study, Chronic Pain December 2013. 3. Decision Resources: Chronic Pain December 2015. 4. LEK & NCI opinion leader interviews, and secondary analysis. 5. Navigant Commercial Assessment for a Proprietary Cell-Based Therapy for DDD in the U.S. and the EU3 – August 2014. 6. Data on File.

MPC-06-ID: Phase 3 Trial in Patients with Chronic Low Back Pain

- Phase 3 study completed enrollment in March 2018
- Over 400 patients were enrolled at 48 sites across USA and Australia
- Patients randomized 1:1:1 to receive saline, 6-million MPCs with hyaluronic acid and 6-million MPCs without hyaluronic acid
- Primary efficacy composite endpoint requires a patient to achieve:
 - Reduction in pain (50% decrease in VAS) and improvement in function (15 point improvement in ODI) at 12 and 24 months, and
 - No additional intervention at the treated level through 24 months



Corporate and Financial

Strategic Partnership for Cardiology in China

- Tasly Pharmaceutical Group has exclusive rights and will fund all development, manufacturing and commercialization activities in China for MPC-150-IM for the treatment or prevention of chronic heart failure and MPC-25-IC for the treatment or prevention of acute myocardial infarction
- Mesoblast received US\$40 million on closing
- Mesoblast to receive US\$25 million on product regulatory approvals in China
- Mesoblast will receive double-digit escalating royalties on net product sales and six escalating milestone payments upon product candidates reaching certain sales thresholds in China
- Partners may leverage each other's clinical trial results to support their respective regulatory submissions in the USA and China



Strategic Financing Transactions



- US\$75 million non-dilutive, four-year credit facility
 - US\$35 million drawn on closing in March 2018
 - US\$15 million may be drawn on or before Q4 CY2018, and a further US\$25 million on or before Q3 CY2019, as certain milestones are met
 - Interest 9.95% per annum with interest only period up to 30 months upon satisfaction of certain conditions
- US\$40 million non-dilutive, eight-year credit facility and US\$10 million equity investment in June 2018
 - US\$30 million drawn and US\$10 million equity at closing
 - Interest only period 48 months
 - Interest and principal payments deferred until after first commercial sale of remestemcel-L for pediatric patients with steroid-refractory acute Graft versus Host Disease
 - Interest 15% per annum, payable from product sales

No warrants with either facility; NovaQuest is subordinated to the senior creditor Hercules

Financial Overview: Fiscal Year Ending June 30, 2018

| Year ending (US\$m) | June 30, 2018 | June 30, 2017 | \$Change | % |
|------------------------------|---------------|---------------|-------------|--------------|
| Commercialization revenue | 3.6 | 1.4 | 2.2 | 152% |
| Milestone revenue | 13.3 | 0.5 | 12.8 | NM |
| Interest revenue | 0.4 | 0.5 | (0.1) | (22%) |
| Total revenue | 17.3 | 2.4 | 14.9 | NM |
| Operating and other expenses | (83.3) | (92.6) | 9.3 | (10%) |
| Loss before tax | (66.0) | (90.2) | 24.2 | (27%) |
| Income tax benefit | 30.7 | 13.4 | 17.3 | NM |
| Loss after tax | (35.3) | (76.8) | 41.5 | (54%) |

| Year ending (US\$m, exc. shares outstanding) | June 30, 2018 | June 30, 2017 | Change |
|--|-----------------------|-----------------------|----------------------|
| Reported Cash on Hand | 37.8 | 45.8 | (8.0) |
| NovaQuest financing agreement | 39.0 | - | 39.0 |
| Tasly strategic alliance | 40.0 | - | 40.0 |
| Pro forma Cash on Hand | 116.8 | 45.8 | 71.0 |
| Shares Outstanding (ASX / Nasdaq) | 482.6M / 96.5M | 428.2M / 85.6M | 54.4M / 10.9M |



Milestones

CY 2018 Corporate Milestones



MSC-100-IV for Acute Graft versus Host Disease

- Successfully met Day 28 primary end point pediatric Phase 3 trial (Q1 CY18) ✓
- Day 100 survival/safety data pediatric Phase 3 trial (Q2 CY18) ✓
- Day 180 survival/safety data pediatric Phase 3 trial (Q3 CY18) ✓
- FDA meetings (Q4 CY18)

MPC-150-IM for Advanced and End-Stage Heart Failure

- Phase 2b trial full 12 month database lock in end-stage heart failure patients with LVADs (Q3 CY18) ✓
- Phase 2b results presentation expected at major cardiovascular conference (Q4 CY18)
End of study safety, efficacy and key clinical outcomes will be presented by independent investigators as a late-breaking presentation at the 2018 Scientific Sessions of the American Heart Association
- Phase 3 trial in advanced heart failure enrollment completion (H2 CY18)

MPC-06-ID for Chronic Low Back Pain

- Phase 3 trial completed enrollment (Q1 CY18) ✓

Completed non-dilutive transactions for commercialization of MSC-100-IV (remestemcel-L) ✓

Establish regional strategic and commercial partnerships ✓ (China, Japan, Europe)

Establish global commercial partnerships

