
**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 2019

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 29, 2019, Mesoblast Limited filed with the Australian Securities Exchange a new release announcement, which is attached hereto as Exhibit 99.1, and is incorporated herein by reference.

On October 29, 2019, 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 29, 2019, 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.

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 1, 2019

INDEX TO EXHIBITS

<u>Item</u>	
99.1	Press release of Mesoblast Ltd, dated October 29, 2019.
99.2	Corporate Governance Statement and Appendix 4G of Mesoblast Ltd, dated October 29, 2019
99.3	Notice of Annual General Meeting of Mesoblast Ltd, dated October 29, 2019

APPOINTMENT OF JOINT COMPANY SECRETARY

New York, USA; and Melbourne, Australia; October 29, 2019: Mesoblast Limited (ASX: MSB; Nasdaq: MESO) today announced that Niva Sivakumar has been appointed as Joint Company Secretary of Mesoblast Limited, together with Charlie Harrison. Mr Harrison and Ms Sivakumar are jointly responsible for the Company Secretary role for Mesoblast and are the persons responsible under Listing Rule 12.6 for communications with ASX.

Ms Sivakumar joined Mesoblast's legal team in 2014 and is a member of Mesoblast's Intellectual Property Committee. Previously, she was a senior associate in the corporate and commercial teams at major law firms, including Dentons and K&L Gates.

About Mesoblast

Mesoblast Limited (ASX: MSB; Nasdaq: MESO) is a world leader in developing allogeneic (off-the-shelf) cellular medicines. The Company has leveraged its proprietary cell therapy technology platform to establish a broad portfolio of commercial products and late-stage product candidates. Two products have been commercialized in Japan and Europe by its licensees, and it has established commercial partnerships in Europe and China for certain Phase 3 assets. In the United States, Mesoblast has initiated submission of a rolling Biologics License Application to the FDA to seek approval of its product candidate for acute graft versus host disease following a successful Phase 3 trial, and is completing Phase 3 trials for its advanced heart failure and chronic low back pain product candidates. Mesoblast's proprietary manufacturing process yields industrial-scale, frozen, off-the-shelf, cellular medicines based on its mesenchymal lineage cell platform technology. These cell therapies, with defined pharmaceutical release criteria, are planned to be readily available to patients worldwide. Mesoblast has locations in Melbourne, New York, Singapore and Texas and is listed on the Australian Securities Exchange (MSB) and on the Nasdaq (MESO). For more information, please see www.mesoblast.com, LinkedIn: Mesoblast Limited and Twitter: @Mesoblast

For further information, please contact:

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Rules 4.7.3 and 4.10.3¹**Appendix 4G**

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity:

Mesoblast Limited

ABN / ARBN:

109 431 870

Financial year ended:

30 June 2019

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 29 October 2019 and has been approved by the board.

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

Date: 29 October 2019

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.

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.mesoblast.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
<p>1.5 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 <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at 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 <i>[insert location]</i></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 <i>[insert location]</i></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>
<p>1.6 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 <i>[insert location]</i></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 <i>[insert location]</i></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>
<p>1.7 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 <i>[insert location]</i></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 <i>[insert location]</i></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>

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> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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>(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 <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at 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 <i>[insert location]</i></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 <i>[insert location]</i></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 <i>[insert location]</i></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>

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
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and, where applicable, 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>... and the length of service of each director:</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>
<p>2.4 A majority of the board of a listed entity should be independent directors.</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 OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>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.</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 OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>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.</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 OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
<p>3.1 A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</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>

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			
4.1	<p>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 <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at 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 <i>[insert location]</i></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 <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>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 <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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
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 <i>[insert location]</i>	<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 <i>[insert location]</i>	<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 <i>[insert location]</i>	<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 <i>[insert location]</i>	<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 <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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,</p> <p>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 <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at 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 <i>[insert location]</i></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 <i>[insert location]</i></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 <i>[insert location]</i></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 <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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>	<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</p> <p><input type="checkbox"/> at <i>[insert location]</i></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</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>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>	<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</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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,</p> <p>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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at 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 <i>[insert location]</i></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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></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>
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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></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>

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	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES

-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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 29 October 2019 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 2019 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 2019 Annual Report, and the Financial Report can be found at Item 18 of Form 20-F contained within the 2019 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.

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.

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 2019 the Company had 83 employees, of which 47 (57%) were female.

Category	Number of women as at 30 June 2019	Number of women as at 30 June 2018	Increase/ (Decrease)
– on the Board of Directors*	1	–	1
– Senior executive positions**	4	4	–

* Ms Shawn Cline Tomasello was appointed to the Board on 11 July 2018.

**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 2019 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 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
William Burns*	Independent member

* Mr Burns replaced Mr Jamieson who retired from the Board on 31 March 2019.

The details of the meetings attended by each member of the Nomination and Remuneration Committee during the 2019 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;
- Corporate governance – substantial experience in public entity disclosure, management oversight and inquiry, listing rules and compliance; and
- 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 (retired 31 March 2019);
- Mr William Burns;
- Mr Donal O'Dwyer;
- Dr Eric Rose;
- Mr Michael Spooner;
- 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 2019, the

Board gave specific consideration to:

- 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 14 years and 9 months as at 30 June 2019 (with 11 years and 7 months as a non-executive Director); and
- the independence of Mr O'Dwyer with a tenure on the Board of 14 years and 9 months as at 30 June 2019.

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 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 current Chair of the Board, Mr Joseph R. Swedish, and the previous Chair, Mr Brian Jamieson (who retired 31 March 2019), are considered independent Directors.

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.

The term in office held by each Director in office as at 30 June 2019 is as follows:*

Director	Term as director	Position held at 30 June 2019
Joseph Swedish	1 year	Independent chair*
Brian Jamieson	11 years 4 months**	Independent chair (retired)*
William Burns	5 years 3 months	Independent vice-chair
Silviu Itescu	15 years	Executive director
Donal O'Dwyer	14 years 9 months	Independent director
Michael Spooner	14 years 9 months	Independent director
Eric Rose	6 years 2 months	Independent director
Shawn Tomasello***	11 months	Independent director

* Mr Swedish was appointed as a director on 18 June 2018 and succeeded Mr Jamieson as Chair following the latter's retirement on 31 March 2019.

**As of 31 March 2019, Mr Jamieson's retirement date.

***Ms Shawn Tomasello was appointed on 11 July 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.

In addition, the Company has 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 independent Directors are the members of the Audit and Risk Committee:

Name	Position held during the year
Michael Spooner	Independent chair
Donal O'Dwyer	Independent member
Brian Jamieson*	Independent member
Joseph Swedish*	Independent member

* Mr Swedish replaced Mr Jamieson who retired from the Board on 31 March 2019.

All of the Directors are financially literate and Michael Spooner has accounting qualifications.

Additionally, all the Directors 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 2019 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 2019 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 2019.

An analysis of fees paid to the external auditors for the 2019 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 an internal 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 Chief Executive, acting in conjunction with the Global Head of Corporate Communications, the General Counsel, the Company Secretary and the members of the internal 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 2019 and has concluded that its internal control over financial reporting was effective as of 30 June 2019.

ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

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

Mesoblast has undertaken 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. The non-executive Directors were granted options following authorization from shareholders at our 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 intended to be an annual or regular event.

Further information on non-executive Directors' remuneration for the 2019 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 2019 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 period starting a week prior to the last business day of the month prior to the release of our quarterly financial results, and ending one day after the release of those financial results. The Board may also impose black out periods during 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: 9:00am (Melbourne time)

Date: Wednesday, 27 November 2019

Place: Baker McKenzie
Level 19, 181 William 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 Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria 3000, Australia on 27 November 2019 at 9.00 am (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 financial year ended 30 June 2019, as set out in the Company's 2019 Annual Report.

2. 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 2019 Annual Report) for the financial year ended 30 June 2019 be adopted."

The vote on this item is advisory only and does not bind the Directors or the Company. Voting exclusions apply to this item 2 – please see the Voting Exclusions on page 4.

3. Re-election of Directors

a) Re-election of Dr Eric Rose as a Director

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

"That Dr Eric Rose, a Director retiring from office in accordance with clause 64.1 of the Company's Constitution, being eligible, is re elected as a Director of the Company."

b) Re-election of Mr William Burns as a Director

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

"That Mr William Burns, a Director retiring from office in accordance with clause 64.1 of the Company's Constitution, being eligible, is re elected as a Director of the Company."

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

a) Approval of Proposed Issue of Options to Newly-Appointed Non-Executive Chair, Mr Joseph R. Swedish

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 grant to Mr Joseph R. Swedish (being a Non-Executive Director and Chair of the Company as at the date this resolution is passed) of 300,000 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 Mr Joseph R. Swedish upon the exercise of any such options."*

b) Approval of Proposed Issue of Options to Non-Executive Directors, Dr Eric Rose and Mr William Burns

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 grant to Dr Eric Rose and Mr William Burns (being Non-Executive Directors as at the date this resolution is passed) of 100,000 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 Dr Eric Rose and Mr William Burns upon the exercise of any such options."*

Voting exclusions apply to items 4(a) and 4(b) – please see the Voting Exclusions on page 4.

5. Approval of Proposed Issue of Options to Chief Executive, Dr Silviu Itescu, in Connection with his Remuneration for 2018/2019 and 2019/2020 Financial Years

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 grant to Dr Silviu Itescu (being the Chief Executive and Managing Director of the Company as at the date this resolution is passed) of the following 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:*
 - A. 538,667 options which form part of the short-term incentive component of Dr Itescu’s remuneration for the 2018/2019 financial year; and*
 - B. 1,346,667 options which form part of the long-term incentive component of Dr Itescu’s remuneration for the 2019/2020 financial year; and*
- (ii) any issue of fully paid ordinary shares in the Company to Dr Silviu Itescu upon the exercise of any such options.”*

Voting exclusions apply to this item 5 – please see the Voting Exclusions on page 4.

6. Approval of Employee Share Option Plan for Employees for the Purpose of Listing Rule 7.2

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

“That, for the purposes of ASX Listing Rule 7.2, Exception 9 and for all other purposes, shareholders approve the grant of options by the Board in its discretion in accordance with the Company’s Employee Share Option Plan (a summary of which is set out in the Explanatory Memorandum accompanying the Notice of this Meeting) as an exception to ASX Listing Rule 7.1.”

Voting exclusions apply to this item 6 – please see the Voting Exclusions on page 4.

7. Ratification of Issue of Shares to Existing and New Institutional Investors

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of shares by the Company to existing and new Australian and global institutional investors on the terms and conditions as more fully described in the Explanatory Memorandum accompanying the Notice of this Meeting.”

Voting exclusions apply to this item 7 – please see the Voting Exclusions on page 4.

Further information

For detailed information on the above Agenda items, please refer to the Explanatory Memorandum on pages 6-15. By order of the Board:



Charlie Harrison
Company Secretary
29 October 2019

Voting Exclusions

Voting Exclusion for Item 2 – Adoption of the Remuneration Report

The Company will disregard any votes cast, on the resolution proposed in item 2:

- 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 item 2 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 item 2:

- 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 item 2 is connected directly or indirectly with the remuneration of a KMP member.

Voting Exclusion for:

- **Item 4(a) and (b) – Approval of Proposed Issue of Options to Non-Executive Directors**
- **Item 5 – Approval of Proposed Issue of Options to Chief Executive, Dr Silviu Itescu, in Connection with his Remuneration for 2018/2019 and 2019/2020 Financial Years**
- **Item 6 – Approval of Employee Share Option Plan for Employees for the Purpose of Listing Rule 7.2**

The Company will disregard any votes cast, in favour of the resolutions proposed in items 4(a), 4(b), 5 and 6:

- by a Director who is eligible to participate in the Company's Employee Share Option Plan (or their respective associates); and
- by any person who is a KMP as at the time items 4(a), 4(b), 5 and 6 are voted on at the AGM (or any respective closely related party).

However, the Company need not disregard a vote on resolutions proposed in items 4(a), 4(b), 5 and 6 if it is cast as proxy for a person who is entitled to vote:

- by a Director or any associate of the Director, in accordance with the directions on the proxy form; or
- by the Chair of the AGM in accordance with the directions on the proxy form to vote as the proxy decides.

In addition, a vote must not be cast on items 4(a), 4(b), 5 and 6 by a member of the KMP of the Company, or a closely related party of a KMP, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on items 4(a), 4(b), 5 and 6. This restriction on voting undirected proxies does not apply to the Chair of the AGM acting as a proxy for a person entitled to vote on items 4(a), 4(b), 5 and 6 because the Company's proxy appointment expressly authorises the Chair of the AGM to exercise undirected proxies.

Voting Exclusion for Item 7 – Ratification of Issue of Shares to Existing and New Institutional Investors

The Company will disregard any votes cast in favour of the resolutions proposed in item 7 by or on behalf of:

- a person who participated in the issue; or
- an associate of that person (or those persons).

However, the Company need not disregard a vote if:

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

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 2019 are listed in a section titled 'Key Management Personnel' in Item 6.A of the Company's Form 20-F for the financial year ended 30 June 2019 (which is contained within the Company's Annual Report for the year ended 30 June 2019).
- 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 the 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.

Explanatory Memorandum relating to the 2019 Notice of Annual General Meeting

This Explanatory Memorandum accompanies and forms part of the Notice of this AGM.

ITEMS OF BUSINESS

Item 1 – Receipt and Consideration of Financial Statements and Reports

The laws in Australia require the Company's financial statements and reports for the last financial year just ended to be presented to the Annual General Meeting. This item does not require a formal resolution to be put at the AGM.

Rather, this agenda item is intended to provide shareholders with the opportunity to raise questions on the financial statements and reports contained in the Company's 2019 Annual Report, 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.

Item 2 – 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 93 to 119 of the Company's 2019 Annual Report. A copy of the 2019 Annual Report can be found on the Company's website at www.mesoblast.com or by contacting the Company's share registry, Link Market Services.

The Remuneration Report includes:

- an explanation of the Company's remuneration strategy and guiding principles;
- 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 item 2 (as described in the 'Voting Exclusions' section above), the Directors unanimously recommend that shareholders vote in favour of item 2 to adopt the Remuneration Report.

Item 3(a) and 3(b) – Re-election of Directors

Dr Eric Rose

Dr Eric Rose was appointed to the Board in April 2013 and last elected by shareholders at the Company's 2016 AGM. As required by the ASX Listing Rules and in accordance with clause 64.1 of the Company's Constitution, Dr Rose retires by rotation at the end of the AGM and, being eligible, offers himself for re-election at the AGM.

Dr Rose is currently Non-Executive Chairman of SIGA Technologies. From 2008 through 2012, Dr Rose served as the Edmond A. Guggenheim Professor and Chairman of the Department of Health Evidence and Policy at the

Mount Sinai School of Medicine. From 1994 through 2007, he served as Chairman of the Department of Surgery and Surgeon-in-Chief of the Columbia Presbyterian Center of New York Presbyterian Hospital. From 1982 through 1992, Dr Rose led the Columbia Presbyterian heart transplantation program in the United States. He currently sits on the Board of Directors of ABIOMED.

The Board has determined that Dr Eric Rose is an independent Director.

Dr Eric Rose's current directorships of other listed companies

- SIGA Technologies (since 2007)
- ABIOMED, Inc. (since 2014, and previously 2007-2012)

Mr William Burns

Mr William Burns was appointed to the Board in March 2014 and last elected by shareholders at the Company's 2016 AGM. As required by the ASX Listing Rules and in accordance with clause 64.1 of the Company's Constitution, Mr Burns retires by rotation at the end of the AGM and, being eligible, offers himself for re-election at the AGM.

Mr Burns has served on the Board of Directors since 2014 and was appointed Vice Chairman in 2016. He spent his entire management career at the Beecham Group and F. Hoffmann-La Roche Ltd. Mr Burns was Chief Executive Officer of Roche Pharmaceuticals from 2001 to 2009, when he joined the Board of Directors of F. Hoffmann-La Roche Ltd. until he retired in 2014. He is the Chair of Molecular Partners, and has been a Non-Executive Director

of Shire PLC, Chugai Pharmaceutical Co., Genentech, Crucell, and Chairman of Biotie Therapies Corp. from 2014 until its sale to Acorda Therapeutics Inc. in 2016. Mr Burns is also a member of the Oncology Advisory Board of the Universities of Cologne/Bonn in Germany. In 2014, he was appointed a trustee of the Institute of Cancer Research, London, and in 2016 a Governor of The Wellcome Trust in London, UK.

The Board has determined that Mr William Burns is an independent Director.

Mr William Burns' current directorships of other listed companies

- Chair of Molecular Partners (since 2018)

Recommendation

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

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

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

- 300,000 options to Mr Joseph R. Swedish, who is also the Non-Executive Chair of the Company;
- 100,000 options to Dr Eric Rose; and
- 100,000 options to Mr William Burns,

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.

This proposed issue of options to Mr Joseph R. Swedish is in connection with his recent appointment as Non-Executive Chair of the Company. The Directors do not presently intend for an issue of options to be an annual or regular event for the Non-Executive Chair or other Non-Executive Directors.

The Board considers that the aggregate value of the options proposed to be issued to Dr Eric Rose and to

Mr William Burns, based on a Black-Scholes option valuation methodology, will maintain parity in the remuneration of Non-Executive Directors. The 80,000 options which were issued to each of Dr Eric Rose and to Mr William Burns following shareholder approval at the 2014 Annual General Meeting will expire this year.

While a potential disadvantage of the shareholders approving this item is the dilution of shareholders if the options are exercised in the future, the Board believes that the issue of these options is in the best interests of the Company as a whole, and is a prudent means of conserving the Company's available cash. Further, any dilution will be minimal.

ASX Listing Rule 10.15 requires further information to be provided to shareholders in relation to an acquisition of securities by a director under an employee incentive scheme. This is set out in the subsequent table on pages 10-11.

Key terms of options issued to Non-Executive Directors

The options will be issued to Mr Swedish, Dr Rose and Mr Burns in accordance with the Company's Employee Share Option Plan which was last approved by the Company's shareholders at the 2016 AGM and is being put to shareholders for approval in this AGM (see item 6).

Key terms applying to the options for Mr Swedish, Dr Rose, and Mr Burns are summarised below:

- These options will 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. The options to Mr Swedish, Dr Rose and Mr Burns will not be subject to any performance conditions or hurdles.
- 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

EXPLANATORY MEMORANDUM

- 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).
- Other than as set out above, the options will have terms and conditions attaching to the Company's Employee Share Option Plan which are described in this Explanatory Memorandum at pages 12-14.

Recommendation

The Directors (with Mr Joseph R. Swedish, Dr Eric Rose, and Mr William Burns abstaining) recommend that shareholders vote in favour of items 4(a) and 4(b).

Item 5 – Approval of Proposed Issue of Options to Chief Executive, Dr Silviu Itescu, in Connection with his Remuneration for 2018/2019 and 2019/2020 Financial Years

As detailed in the Remuneration Report (set out on pages 93 to 119 of the Company's 2019 Annual Report), the Board has made a number of changes to its executive remuneration framework, in response to feedback received last year. The key changes relevant to this resolution are:

- from financial year 2019/2020, the Chief Executive will participate in the Company's long term incentive (LTI) scheme. As part of this change, the short term incentive (STI) cash opportunity of his remuneration mix will be adjusted to 50% of its current level; and
- for financial year 2018/2019, the Chief Executive's cash STI award will be paid 50% cash and 50% in equity in the form of options. This is a change from prior years when the STI award was paid 100% in cash.

In order to execute the above changes, shareholders are asked to approve the issue of the following options to Dr Silviu Itescu, Chief Executive and Managing Director of the Company under the Company's Employee Share Option Plan:

- 538,667 time-based options which form part of the STI component of Dr Itescu's remuneration for the 2018/2019 financial year ('STI Options'); and
- 1,346,667 milestone-based options which form part of the LTI component of Dr Itescu's remuneration for the 2019/2020 financial year ('LTI Options').

Further details regarding each grant are provided below.

STI Options

In previous years, Dr Itescu's STI awards were paid entirely in cash. The Board received feedback that a portion of Dr Itescu's STI award should be deferred. Following consideration of this feedback, the Board intends to pay 50% of Dr Itescu's STI award for the 2018/2019 financial year as a one-time issue of options which will vest in three equal

tranches, with vesting dates on the first, second and third anniversaries of the grant date. These STI Options have an expiry date of seven years from the grant date.

The determination of Dr Itescu's STI award and the specific key performance indicators assessed is set out in the 'Overview of performance and remuneration outcomes for the year ended June 30, 2019' section of the Remuneration Report.

If the resolution proposed in item 5 is not approved by shareholders, the Board intends to deliver Dr Itescu's full STI award for financial year 2018/2019 in cash.

LTI Options

Commencing from the 2019/2020 financial year, it is proposed that the CEO's total remuneration will change from equal proportions of fixed and STI with no LTI, to 40% fixed, 20% STI and 40% LTI.

This approach was determined as a part of a broader review of our Chief Executive's remuneration framework completed during the reporting year by international consulting firm Mercer that specializes in remuneration matters. Their benchmarking analysis compared our Chief Executive's remuneration package to his peer group of primarily US-based companies in our industry as that is where the majority of the Company's employees and operations are based, and those are the types of companies with which the Company primarily competes with for talent.

The introduction of a LTI component to Dr Itescu's remuneration aligns the Chief Executive's remuneration structure with those of other key executives of the Company, who also have milestone-based vesting of certain option grants. The use of equity further increases the Chief Executive's alignment with the interests of shareholders, and conserves cash.

The LTI component will be in the form of options over fully paid ordinary shares in our Company, with each grant vesting on the achievement of pre-specified milestones determined by the Board, as well as minimum holding periods from grant. The achievement of the following two milestones during calendar year 2020 are relevant to the vesting of all or part of the LTI Options for the 2019/2020 financial year:

- the granting of a PDUFA date for remestemcel-L for the treatment of acute graft versus host disease in children; and
- United States Food and Drug Administration approval of remestemcel-L for the treatment of acute graft versus host disease in children.

It is planned that up to 50% of the LTI Options will vest on the achievement of each milestone.

Dr Itescu will only realise value from the options in the event that one or both of the milestones are achieved, and the share price of the company exceeds the exercise price (set based on the share price when the Board approved the grant of the options).

If the resolution proposed in item 5 is not approved by shareholders, then, it is intended that Dr Itescu will continue to receive remuneration of equal proportions of fixed and STI in cash with no LTI for financial year 2019/2020.

Key terms of STI Options and LTI Options

The options will be issued to Dr Itescu in accordance with the Company's Employee Share Option Plan which was last approved by the Company's shareholders at the 2016 AGM and is being put to shareholders for approval in this AGM (see item 6). Other than with respect to vesting conditions for these options set out above, the STI options and LTI Options issued to Dr Itescu will have terms and conditions attaching to the Company's Employee Share Option Plan which are described in this Explanatory Memorandum at pages 12-14.

Recommendation

The Directors (with Dr Itescu abstaining) recommend that shareholders vote in favour of item 5.

Information required by the ASX Listing Rules for items 4(a), 4(b) and 5

The Company seeks shareholder approval to issue options to Mr Joseph R. Swedish, Dr Eric Rose, Mr William Burns and Dr Silviu Itescu for the purposes of ASX Listing Rule 10.14 which provides that an entity must not permit any Director of the Company to acquire securities under an employee incentive scheme without the prior approval of ordinary shareholders.

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

Mr Swedish, Dr Rose and Mr Burns are Non-Executive Directors of the Company.
Dr Silviu Itescu is Chief Executive and Managing 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

The maximum number of options that may be acquired by each of the Non-Executive Directors named in item 4(a) and 4(b) is as follows:

- 300,000 options by Mr Swedish;
- 100,000 options by Dr Rose; and
- 100,000 options by Mr Burns.

The maximum number of options that may be acquired by Dr Itescu is 1,885,334, consisting of 538,667 time-based options and 1,346,667 milestone-based options.

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

Each option will be granted for no consideration.

The options which will to be issued to Mr Swedish, Dr Rose and Mr Burns, and Dr Itescu have an exercise price equal to the higher of:

- the five-day volume weighted average share price of the five ASX trading days ending on, and including, the date the Board approved the grant; and
- the closing price of an ordinary share on the ASX on the date the Board approved the grant.

Based on the above formula, the exercise price is:

- \$1.48 for Mr Swedish's options;
- \$1.83 for Dr Rose's options;
- \$1.83 for Mr Burns' options; and
- \$1.47 for Dr Itescu's STI Options and LTI Options.

<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</p>	<p>The persons referred to in ASX Listing Rule 10.14 who have been issued options under the Company's Employee Share Option Plan since the last approval (at the 2016 AGM) under the ASX Listing Rules are:</p> <ul style="list-style-type: none"> • Mr Joseph R. Swedish (200,000 options with an exercise price of \$1.52 per option); • Ms Shawn Cline Tomasello (200,000 options with an exercise price of \$1.56 per option); • Mr Brian Jamieson (retired 31 March 2019) (150,000 options with an exercise price of \$1.33 per option); • Mr William Burns (120,000 options with an exercise price of \$1.33 per option); • Dr Eric Rose (120,000 options with an exercise price of \$1.33 per option); • Mr Donal O'Dwyer (100,000 options with an exercise price of \$1.33 per option); and • Mr Michael Spooner (100,000 options with an exercise price of \$1.33 per option). <p>Each option was granted for no consideration.</p>
<p>The names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the scheme</p>	<p>All Directors of the Company are entitled, under the terms of the Employee Share Option Plan, to participate in that plan. However the decision to offer options under the Employee Share Option Plan is subject to Board approval and shareholder approval in accordance with ASX Listing Rule 10.14.</p>
<p>No loans</p>	<p>No loans are proposed in connection with the proposed issue of options.</p>
<p>The date by which the entity will issue the securities, which must be no later than 12 months after the meeting</p>	<p>If items 4(a), 4(b), and 5 are approved by shareholders, the corresponding options will be issued no later than 12 months after the meeting.</p>

Item 6 – Approval of Employee Share Option Plan for Employees for the Purpose of Listing Rule 7.2

A key component of remuneration provided to senior employees and executives are long-term incentives. Long-term incentives ensure employees have part of their remuneration tied to achieving long-term value and success for shareholders.

Selected employees and consultants of the Company and its subsidiaries are eligible to participate in the Employee Share Option Plan at the absolute discretion of the Company's Board of Directors.

Further information on the Employee Share Option Plan can be found in the Remuneration Report.

The need for shareholder approval

Listing Rule 7.2, Exception 9 provides that any equity securities issued under an employee incentive scheme that has been approved by shareholders within the last three years are not counted when calculating the maximum number of equity securities a company may issue without shareholder approval under the 15% cap in ASX Listing Rule 7.1.

The Employee Share Option Plan was last approved by shareholders on 22 November 2016. Listing Rule 7.2, Exception 9 provides this approval remains in effect for three years only and consequently expires on 22 November 2019. Therefore this Employee Share Option Plan is being put to shareholders for approval at this AGM for the purposes of Listing Rule 7.2, Exception 9.

Since shareholder approval on 22 November 2016, the Company has issued 21,070,000 options pursuant to the Employee Share Option Plan. As of 15 October 2019, of these 21,070,000 options:

- 1,233,333 have been forfeited;
- 557,000 have been exercised; and
- 19,279,667 remain issued and outstanding.

Summary of the terms of the Employee Share Option Plan

Maximum number of shares able to be issued	<p>In broad terms, the maximum number of shares that may be issued (including shares issued on the exercise of options) to persons in Australia during any three-year period may not exceed 5% of the total number of shares on issue. There are certain exclusions from this limit, including shares issued under a formal disclosure document (such as a prospectus) and shares issued to certain exempt classes of persons provided for in the Corporations Act.</p> <p>In addition, there is a maximum of 10,000,000 shares over which US Incentive stock options may be issued to individuals who are employed by the Company or a subsidiary that qualifies as a 'related corporation', as defined in US Treasury Regulations section 1.421-1(i)(2).</p>
Ranking of shares issued under the Employee Share Option Plan	<p>Shares issued on the exercise of the options will rank equally in all respects with other shares from the date of issue, subject to the satisfaction of any applicable disposal restrictions.</p>
Participation on new issues of shares	<p>Option holders cannot participate in new issues of shares to existing shareholders without exercising the option within the exercise period, and becoming a shareholder by the relevant record date.</p>
Vesting conditions, expiry dates, exercise price and share acquisition price	<p>Options are issued to eligible participants with each option entitling the holder to subscribe for one fully paid ordinary share in the Company on exercise.</p> <p>The vesting conditions, expiry date and exercise price of options are determined by the Board in its discretion at the time of issue of the options.</p> <p>The Company typically issues options under the Employee Share Option Plan on the following basis:</p> <ul style="list-style-type: none"> • options issued are either time-based vesting or milestone based vesting depending on the employee's role. Time-based options vest in three equal tranches, with a tranche vesting on each of the first, second and third anniversary of the issue date. Milestone-based options vest upon achievement of pre-specified performance milestones; • options have an expiry date of seven years from date of issue; and • the exercise price of options is the higher of (i) the five-day volume weighted average share price of the five ASX trading days ending on, and including, the date the Board approved the grant, and (ii) the closing price of an ordinary share on the ASX on the date the Board approved the grant.

Treatment of options on cessation of employment

Cessation of employment as a Leaver.

If a participant in the Employee Share Option Plan ceases employment, and the Board determines that the participant is a 'Leaver', then:

- the participant may retain vested options, however they must be exercised within 60 days of cessation of employment (or within a longer period if so determined by the Board), after which time the options will lapse; and
- any unvested options will normally be forfeited and lapse.

A 'Leaver' means a participant who ceases employment and who is not a Bad Leaver. A Leaver will include a participant who ceases employment due to resignation or retirement.

Cessation of employment as a Bad Leaver.

If a participant in the Employee Share Option Plan ceases employment, and the Board determines that the participant is a 'Bad Leaver', all rights, entitlements and interests in any unexercised options (whether vested or unvested) held by the participant will lapse immediately.

A 'Bad Leaver' is a participant who ceases to be employed by the Company where the Board determines that the participant has:

- committed any serious or persistent breach of any provisions of employment;
- been convicted of any criminal offence which involves fraud or dishonesty;
- engaged in any conduct which brings the Company into substantial disrepute;
- committed any wrongful or negligent act or omission which has caused the Company substantial liability;
- engaged in grave misconduct or recklessness in the discharge of the participant's duties;
- become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the participant being banned from managing a corporation; or
- engaged in any other conduct which the Board reasonably considers to be analogous to, or having a substantially similar seriousness to, any of the circumstances specified above.

Change of control

The Board has discretion to 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.

A 'Control Event' means any of the following:

- an offer is made by a person for the whole of the issued ordinary share capital of the Company (or any part as is not at the time owned by the offeror or any person acting in concert with the offeror) and after announcement of the offer the offeror (being a person who did not Control the Company prior to the offer) acquires Control of the Company;
- any other event occurs which causes a change in Control of the Company; or
- any other event which the Board reasonably considers should be regarded as a Control Event.

'Control' of an entity means having the right:

- to vote 50% (or more) of the votes that can be cast at a meeting of shareholders;
- to appoint or remove directors who possess 50% (or more) of the votes exercisable by all directors of the entity; or
- to 50% (or more) of the profits or distributions of the entity or of its net liquidation proceeds.

Amendments and administration

Subject to the ASX Listing Rules, the rules of the Employee Share Option Plan may be amended or supplemented by resolution of the Board. Unless the resolution of the Board expressly states otherwise, any amendment or supplement will not apply to any options granted which have not yet been exercised.

The Employee Share Option Plan is managed by the Board which has powers including to determine appropriate procedures for the administration of the Employee Share Option Plan, and to determine matters falling for determination under the Employee Share Option Plan in its discretion having regard to the interests of and for the benefit of the Company.

The Employee Share Option Plan may be terminated at any time at the discretion of the Board and no compensation under any employment contract will arise as a result.

Recommendation

Because they have a personal interest in the subject of this resolution, the directors have abstained from making a recommendation to shareholders in relation to this resolution.

Item 7 – Ratification of Issue of Shares to Existing and New Institutional Investors

The Company is seeking the approval of shareholders for the purposes of ASX Listing Rule 7.4, and for all other purposes, in respect of the issue of shares that has been made by the Company resulting from the placement announced to the ASX on 3 October 2019, as set out in the following table:

Persons to whom the issue was made	Existing and new Australian and global institutional investors received shares through the placement which was conducted with Bell Potter Securities as lead manager and Aitken Murray Capital Partners as co-manager.
Date of issue	8 October 2019
Number of shares issued	37.5 million
Issue price	A\$2.00 per share
Terms of shares issued	Fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares.
Use of the funds raised	To build product inventory and US sales force in preparation for commercial launch of Remestemcel-L in the treatment of pediatric steroid-refractory acute graft versus host disease, and to complete Phase 3 trials for chronic low back pain and advanced heart failure, and for working capital and general corporate purposes.

The issue of the above shares was within the 15% limitation imposed by ASX Listing Rule 7.1.

Under ASX Listing Rule 7.1, the Company may issue up to 15% of its share capital in any 12-month rolling period without shareholder approval, unless an exception in ASX Listing Rule 7.2 applies.

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.

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

Recommendation

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

Information on voting, proxies, corporate representatives and attorneys

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 Monday, 25 November 2019. The entitlement of shareholders to vote at the AGM will be determined by reference to that time.

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 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 Voting Exclusions noted above).

To be valid, the appointment of a proxy must be received by **9.00am (Melbourne time) on Monday, 25 November 2019** 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.

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: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

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

STEP 1

APPOINT A PROXY

the Chair of the Meeting (mark box) **OR** if you are **NOT** appointing the Chair 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 Chair 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 **9.00am (Melbourne time) on Wednesday, 27 November 2019 at Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria 3000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 2, 4(a), 4(b), 5 & 6: If the Chair 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 Chair of the Meeting to exercise the proxy in respect of Resolutions 2, 4(a), 4(b), 5 & 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 Chair of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

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

Resolutions	For	Against	Abstain*		For	Against	Abstain*
2 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4b Approval of Proposed Issue of Options to Non-Executive Directors, Dr Eric Rose and Mr William Burns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a Re-election of Dr Eric Rose as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Proposed Issue of Options to CEO, Dr Silviu Ilescu, in Connection with his Remuneration for FY18/19 & FY19/20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b Re-election of Mr William Burns as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Employee Share Option Plan for Employees for the Purpose of Listing Rule 7.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a Approval of Proposed Issue of Options to Newly-Appointed Non-Executive Chair, Mr Joseph R. Swedish	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Ratification of Issue of Shares to Existing and New Institutional Investors	<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.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

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

MSB PRX1901C



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 Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair 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 CHAIR OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001* (Cth)) 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.

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 below by **9.00am (Melbourne time) on Monday, 25 November 2019**, 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).

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

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**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.**