

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 2017

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 16, 2017, Mesoblast Limited filed with the Australian Securities Exchange its Corporate Governance Statement and Appendix 4G, which is attached hereto as [Exhibit 99.1](#), and is incorporated herein by reference.

On October 16, 2017, Mesoblast Limited filed with the Australian Securities Exchange a Notice of Annual General Meeting, which is attached hereto as [Exhibit 99.2](#), 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: October 18, 2017

INDEX TO EXHIBITS

Item

- 99.1 Corporate Governance Statement and Appendix 4G of Mesoblast Ltd, dated October 16, 2017.
- 99.2 Notice of Annual General Meeting of Mesoblast Ltd, dated October 16, 2017.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

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

Name of entity

Mesoblast Limited

ABN / ARBN

109 431 870

Financial year ended:

30 June 2017

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:

<http://mesoblast.com/company/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 16 October 2017 and has been approved by the board.
The annexure includes a key to where our corporate governance disclosures can be located.

Date: 16 October 2017

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 [insert location] http://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.

+ See chapter 19 for defined terms
2 November 2015

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
<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 [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at [insert location]</p> <p>http://mesoblast.com/images/pdf/DiversityPolicy.pdf</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

⁴ See chapter 19 for defined terms
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1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <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>
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	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 ...
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <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>

+ See chapter 19 for defined terms
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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 ... ↓
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <i>[insert location]</i></p> <p>http://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>
<p>2.2</p> <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>

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2 November 2015

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

⁴ See chapter 19 for defined terms
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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 ... ↴
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, 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 <i>[insert location]</i></p> <p>http://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>

↴ See chapter 19 for defined terms
2 November 2015

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

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2 November 2015

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ↴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <i>[insert location]</i> http://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>
<p>7.2 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>

+ See chapter 19 for defined terms
2 November 2015

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

⁴ See chapter 19 for defined terms
2 November 2015

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

⁺ See chapter 19 for defined terms
2 November 2015

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

+ See chapter 19 for defined terms
2 November 2015

Corporate Governance Statement

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

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

The information in this statement is current as at 16 October 2017 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 2017 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 2017 Annual Report, and the Financial Report can be found at Item 18 of Form 20-F contained within the 2017 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:

- 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 three sub-committees. These committees are the Audit and Risk Committee, the Nomination and Remuneration Committee and the Science and Technology Committee.

The Board established the Science and Technology Committee to have oversight of matters pertaining to the Company's strategic direction and investment in research and development and technology. This committee's responsibilities are to:

- identify and consider emerging technologies and industry trends;
- review and evaluate the Company's progress in achieving its long-term strategic research and development objectives and the competitiveness of the Company's research and development program;
- review and evaluate the product development pipeline and priorities, clinical programs, manufacturing strategies and goals;
- review and recommend to the Board internal and external investments in science and technology;
- have oversight of the recruitment and retention of scientific talent and use of external scientific experts; and
- report to the Board on the above matters.

The Science and Technology Committee must comprise of at least two independent Directors and the Company's Chief Scientific Officer (or equivalent).

The following Directors are the members of the Science and Technology Committee:

Name	Position held during the year
Silviu Itescu	Executive member
Eric Rose	Independent Chair
Ben-Zion Weiner	Independent member
William Burns	Independent member

- 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

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The charter of the Science and Technology Committee is available at www.mesoblast.com.

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

ROLE OF MANAGEMENT

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

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

DIRECTOR SELECTION AND APPOINTMENT

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

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

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

COMPANY SECRETARY

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary assists the Board in its effectiveness by ensuring that Board policy and procedures are followed and coordinating the timely completion and dispatch of the Board agenda and supporting papers. The Directors have direct access to the Company Secretary and regularly communicate through email, by telephone and in in-person meetings.

DIVERSITY

The Group values diversity and recognizes the benefits it can bring to the organization's ability to achieve its goals. Diversity can lead to a competitive advantage through broadening the talent pool for recruitment of high quality employees, by encouraging innovation and improving a corporation's image 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 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 regards 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 2017 the Company had 75 employees, of which 41 (55%) were female.

Category	Number of women As at 30 June 2017	Number of women As at 30 June 2016	Increase/ (Decrease)
– on the Board of Directors*	–	–	–
– Senior executive positions**	3	4	(1)

* The Board's composition was not altered in the 2017 financial year (or thereafter to the date of this report) but the Directors are mindful that there are no female Directors on the Board and will give this due consideration at the time of any future appointments to the Board.

** 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 2016 financial year. This review encompassed feedback on the Chair and individual non-executive Directors as well as consideration of Board succession planning, diversity and 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. Detailed results of the review were reported back to the Board. Our next review is scheduled to be finalized by November 2017 with a similar scope of topics as previously covered.

The details of the meetings attended by each member of the Nomination and Remuneration Committee during the 2017 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 is looking to continue in its membership are in the areas of, but not limited to:

- Industry experience: product development – substantial experience in the product development process and the path to regulatory and pricing approval;
- Industry experience: approved products – substantial experience in the global supply of approved products;
- Executive leadership experience in global companies
 - substantial experience in senior executive roles for businesses across multiple global locations;
- Strategy – substantial experience in the development and implementation of strategic plans to deliver investor returns over time;
- Capital management – substantial experience in capital management strategies, including partnerships and capital raisings;
- Financial and risk management – expertise and experience in financial accounting and reporting, internal controls and financial disclosure;
- Human resources – substantial experience in oversight of remuneration, incentives, equity programs, benefits and employment contracts; and
- Governance – substantial experience in public entity disclosure, management oversight and inquiry, listing rules and compliance.

Each of these skills is well represented on our Board.

INDEPENDENT DIRECTORS

With the exception of our Chief Executive, the Board comprises of independent Directors, namely Mr Brian Jamieson, Mr William Burns, Mr Donal O'Dwyer, Dr Eric Rose, Mr Michael Spooner and Dr Ben-Zion Weiner.

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

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CHAIR

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

TERM OF OFFICE

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

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

The term in office held by each Director in office as at 30 June 2017 is as follows:

Director	Term as director	Position held at 30 June 2017
Brian Jamieson	9 years 7 months	Independent chair
William Burns	3 years 3 months	Independent vice chair
Silviu Itescu	13 years	Executive director
Donal O'Dwyer	12 years 9 months	Independent director
Michael Spooner	12 years 9 months	Independent director
Ben-Zion Weiner	5 years 1 month	Independent director
Eric Rose	4 years	Independent director

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 2017 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;
- propose 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 is available at www.mesoblast.com.

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

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

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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 been 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 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 2017, 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 12 years and 9 months as at 30 June 2017; and
 - the independence of Mr O'Dwyer with a tenure on the Board of 12 years and 9 months as at 30 June 2017.
- 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 nine 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.

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

PRINCIPLE 3. ACT ETHICALLY AND RESPONSIBLY

CODE OF CONDUCT

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

- conflicts of interest;
- confidentiality;
- fair dealing;
- protection of assets;
- compliance with laws and regulations;
- reporting violations of the code;
- security trading; and
- commitments to stakeholders.

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

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

PRINCIPLE 4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

AUDIT AND RISK COMMITTEE

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

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

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

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

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

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

PRINCIPLE 5.**MAKE TIMELY AND BALANCED DISCLOSURE****CONTINUOUS DISCLOSURE**

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

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

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

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

PRINCIPLE 6.**RESPECT THE RIGHTS OF SECURITY HOLDERS****COMPANY WEBSITE**

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

INVESTOR RELATIONS

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

- 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 '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 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

- review, assess and approve 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;

All of the Directors are financially literate and two of the members, Michael Spooner and Brian Jamieson, have accounting qualifications. Additionally, Michael Spooner and Donal O'Dwyer have valuable and relevant industry experience having served in the healthcare industry in senior positions for a number of years. The details of the meetings attended by each member of the Audit and Risk Committee during the 2017 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 the Company's 2017 financial year financial statements that, in their opinion:

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

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

EXTERNAL AUDITOR

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

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

An analysis of fees paid to the external auditors for the 2017 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.

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;

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. 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

control over financial reporting. The Company's management conducted an assessment of the effectiveness of our internal control over financial reporting as of June 30, 2017 and has concluded that its internal control over financial reporting was effective as of June 30, 2017.

ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

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

In the 2016 financial year, Mesoblast undertook an analysis to identify economic, environmental and social sustainability issues which are material from the perspective of the Group and our stakeholders. An analysis was undertaken

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 2017 financial year, including principles used to determine remuneration, is set out in the Remuneration Report.

SHARE TRADING POLICY

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

- the period from 1 July until the preliminary announcement of the Group's annual financial results plus 2 calendar days;
- the period from 1 January until the announcement of the Group's half year report plus 2 calendar days; and

performance rights. Further, non-executive Director remuneration does not include any performance-based remuneration or bonuses. The issue of options to the non-executive Directors is not an annual or regular event. Further information on non-executive Directors' remuneration for the 2017 financial year, including principles used to determine remuneration, is set out in the Remuneration Report.

- 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: 3pm (Melbourne time)
Date: Thursday, 16 November 2017
Place: Deloitte
Level 11, 550 Bourke Street,
Melbourne, Victoria
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 the shareholders of Mesoblast Limited (ABN 68 109 431 870) (the **Company** or **Mesoblast**) will be held at Deloitte, Level 11, 550 Bourke Street, Melbourne, Victoria, Australia on 16 November 2017 at 3pm (Melbourne time) for the purpose of considering and, if thought fit, passing the resolutions set out below.

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

ITEMS OF BUSINESS

1. Receipt and Consideration of Financial Statements and Reports

To receive and consider the Financial Statements of the Company and the reports of the Directors and Auditor for the year ended 30 June 2017, as set out in the Company's 2017 Annual Report.

2. Re-election of Directors

a) Re-election of Mr Donal O'Dwyer as a Director

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

'That Mr Donal O'Dwyer, a Director retiring from office in accordance with rule 15.3(a) of the Constitution, being eligible, is re-elected as a Director of the Company.'

b) Re-election of Dr Ben-Zion Weiner as a Director

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

'That Dr Ben-Zion Weiner, a Director retiring from office in accordance with rule 15.3(a) of the Constitution, being eligible, is re-elected as a Director of the Company.'

For information about the candidates for re-election, see the Explanatory Memorandum (see page 7).

3. Adoption of the Remuneration Report

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

'That the Remuneration Report (which forms part of the Company's 2017 Annual Report) for the financial year ended 30 June 2017 be adopted.'

Voting Exclusions: The Company will disregard any votes cast on this resolution by or on behalf of certain shareholders. Details of the voting exclusions applicable to this resolution are set out in the 'Voting Exclusions' section of the Notes below (see page 4).

For information about the Remuneration Report, see the Explanatory Memorandum (see page 8).

4. Subsequent Approval of Issues of Shares

a) Issue to Cache Holdings Limited

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

‘That for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the issue of 20,044,771 fully paid ordinary shares in the Company on 6 January 2017 to Cache Holdings Limited (part of the Mallinckrodt Pharmaceuticals group), on the terms and conditions detailed in the Explanatory Memorandum.’

Voting Exclusions: The Company will disregard any votes cast on this resolution by or on behalf of certain shareholders. Details of the voting exclusions applicable to this resolution are set out in the ‘Voting Exclusions’ section of the Notes below (see page 4).

For information about this share issue, see the Explanatory Memorandum (see page 9).

b) Institutional Placement

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

‘That for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the issue of 26,250,000 fully paid ordinary shares in the Company on 31 March 2017 made by way of institutional placement, on the terms and conditions detailed in the Explanatory Memorandum.’

Voting Exclusions: The Company will disregard any votes cast on this resolution by or on behalf of certain shareholders. Details of the voting exclusions applicable to this resolution are set out in the ‘Voting Exclusions’ section of the Notes below (see page 4).

For information about this share issue, see the Explanatory Memorandum (see page 10).

By order of the Board:



Charlie Harrison
Company Secretary

16 October 2017

NOTES:

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 14 November 2017. The entitlement of shareholders to vote at the AGM will be determined by reference to that time.

Voting Exclusions

Items 2(a) and 2(b) – Re-election of Directors

There are no voting exclusions for these items.

Item 3 – Adoption of the Remuneration Report

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

- by or on behalf of any Key Management Personnel (**KMP**) member whose remuneration details are included in the Remuneration Report, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member as at the time Resolution 3 is voted on at the AGM, or any of their closely related parties, as a proxy, unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 3;
- in accordance with a direction in the proxy appointment; or
- by the Chair of the AGM in accordance with an express authorisation in the proxy appointment to cast the votes even if Resolution 3 is connected directly or indirectly with the remuneration of a KMP member.

Items 4(a) and 4(b) – Subsequent Approval of Issues of Shares

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

- in respect of Resolution 4(a):
 - any person who participated in the issue of shares the subject of Resolution 4(a); and
 - an associate of that person (or those persons); and
- in respect of Resolution 4(b):
 - any person who participated in the issue of shares the subject of Resolution 4(b); and
 - an associate of that person (or those persons).

However, the Company need not disregard a vote on Resolution 4(a) and Resolution 4(b) if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair of the AGM as proxy for a person who is entitled to vote, in accordance with 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 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 2017 are listed in a section titled 'Key Management Personnel' in Item 6.A of the Company's Form 20-F for the year ended 30 June 2017 (which is contained within the Company's Annual Report for the year ended 30 June 2017).

- 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 entity; or
 - a company the member controls.

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

Information On Proxies, Corporate Representatives and Attorneys

Voting by Proxy

Please note that:

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

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

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

A proxy appointment form accompanies this Notice of AGM.

Voting by Corporate Representatives

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

Voting by Attorney

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

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

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

Evidence of execution

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

Explanatory Memorandum relating to the 2017 Notice of Annual General Meeting

ITEMS OF BUSINESS

1. Receipt and Consideration of Financial Statements and Reports

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

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

2. Re-election of Directors

a) Re-election of Mr Donal O'Dwyer

Mr Donal O'Dwyer was appointed to the Board on 29 September 2004 and last elected by shareholders at the Company's 2014 annual general meeting. In accordance with clause 15.3(a) of the Company's Constitution, Mr O'Dwyer retires by rotation at the end of the AGM and, being eligible, offers himself for re-election at the AGM.

Mr Donal O'Dwyer has over 25 years of experience as a senior executive in the global cardiovascular and medical devices industries. From 1996 to 2003, he worked for Cordis Cardiology, the cardiology division of Johnson & Johnson's Cordis Corporation, initially as its President (Europe) and as its worldwide President from 2000. Prior to joining Cordis, he worked for 12 years with Baxter Healthcare, rising from plant manager in Ireland to President of the Cardiovascular Group, Europe (now Edwards Lifesciences). Mr O'Dwyer is a qualified civil engineer and has an MBA.

The Board has determined that Mr O'Dwyer is an independent Director.

Additional Current Directorships

- Non-Executive Director, Cochlear Limited
- Chairman and Non-Executive Director, Atcor Medical Holdings Ltd
- Non-Executive Director, Fisher & Paykel Healthcare Ltd
- Non-Executive Director, NIB Holdings Limited

b) Re-election of Dr Ben-Zion Weiner as a Director

Dr Ben-Zion Weiner was appointed to the Board on 9 May 2012 and last elected by shareholders at the Company's 2014 annual general meeting. In accordance with clause 15.3(a) of the Company's Constitution, Dr Weiner retires by rotation at the end of the AGM and, being eligible, offers himself for re-election at the AGM.

In a 37-year career at Teva Pharmaceutical Industries Ltd, Dr Ben-Zion Weiner held various senior research and development positions, including Senior Vice President of Global Research and Development. Dr Weiner twice received the Rothschild Prize for industrial innovation - for the development of Copaxone for the treatment of multiple sclerosis, and alpha D3 for kidney and bone disorders. He is on the Board of Directors at Novaremed Ltd., the scientific advisory board at E-QURE Corp. and Breed IT, Corp. and has served on the Board of Directors at Geffen Biomed Investments Ltd (2010-2013), XTL Biopharmaceuticals Limited (2012-2013) and Breed IT, Corp.

The Board has determined that Dr Weiner is an independent Director.

Additional Current Directorships

- Chairman, Novaremed Ltd

Recommendation

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

3. **Adoption of the Remuneration Report**

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

The Remuneration Report is set out on pages 92 to 112 of the Company's 2017 Annual Report. A copy of the 2017 Annual Report can be found on the Mesoblast website at www.mesoblast.com or by contacting the Company's share registrar, Link Market Services.

The Remuneration Report includes:

- an explanation of the Company's policies in relation to the nature and amount of the remuneration of the KMP;
- a description of the relationship between such policies and Mesoblast'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 of Mesoblast. The Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies of the Company.

Recommendation

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

4. Subsequent Approval of Issues of Shares

a) Issue to Cache Holdings Limited

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

Persons to whom the issue was made	Cache Holdings Limited (part of the Mallinckrodt Pharmaceuticals group)
Date of issue	6 January 2017
No. of shares issued	20,044,771
Issue price	A\$1.4761 per share
Terms of shares issued	Fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares. The full amount of shares is to be held in voluntary escrow until 6 January 2018.
Use of the funds raised	The proceeds will be used for the Company's ongoing Phase 3 clinical programs including chronic heart failure, as well as for manufacturing requirements associated with product commercialization.

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

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

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

Recommendation

The Directors recommend that shareholders vote in favour of Resolution 4(a).

b) Institutional Placement

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

Persons to whom the issue was made	The shares were issued to a number of existing global institutional investors as well as new institutional and sophisticated investors. The placement was fully underwritten by Bell Potter Securities Limited, and none of the investors are related parties of the Company.
Date of issue	31 March 2017
No. of shares issued	26,250,000
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	The proceeds will be used for the Company's ongoing Phase 3 clinical programs including chronic heart failure, as well as for manufacturing requirements associated with product commercialization.

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

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

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

Recommendation

The Directors recommend that shareholders vote in favour of Resolution 4(b).

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 Homobush Bay Drive, Rhodes NSW 2138; or
Level 12, 660 George Street, Sydney NSW 2000
- ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X9999999999

PROXY FORM

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

APPOINT A PROXY

STEP 1

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 3:00pm (Melbourne time) on Thursday, 16 November 2017 at DeLoitte, Level 11, 550 Bourke Street, Melbourne, Victoria (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolution 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 3 and to vote as the Chairman decides, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP). The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 3.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his voting intention in respect of any resolution, in which case an ASX announcement will be made.

VOTING DIRECTIONS

STEP 2

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*
2a Re-election of Mr Donal O'Dwyer as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4b Institutional placement	<input type="checkbox"/>	<input type="checkbox"/>
2b Re-election of Dr Ben-Zion Weiner as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
3 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
4a Issue to Cache Holdings Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

STEP 3

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

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

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (C'1b).

MSB PRX1701C



YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is 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. The sum of the votes cast must not exceed your voting entitlement or 100%, otherwise your votes will be invalid on that item. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) 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" should 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 3:00pm (Melbourne time) on Tuesday, 14 November 2017, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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

ONLINE
www.linkmarketservices.com.au

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

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.