

MESOBLAST LIMITED

ACN 109 431 870

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

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

**10.00 am (Melbourne time)
on 30th November 2009 (Monday)**

**at Middletons Lawyers,
Rialto South Tower
Level 25, 525 Collins Street,
Melbourne, Victoria**

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.**

Dated: 28th October 2009

Mesoblast Limited

ABN 68 109 431 870

Notice of Annual General Meeting

Notice is given that a general meeting of the shareholders of Mesoblast Limited ABN 68 109 431 870 (**the Company or Mesoblast**) will be held at Middletons Lawyers, Rialto South Tower, Level 25, 525 Collins Street, Melbourne on **30th November 2009 at 10.00am** (Melbourne time) for the purpose of considering and if thought fit passing the following ordinary resolutions as stated 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 Annual General Meeting.

Agenda

1. Receipt and Consideration of Financial Statements and Reports

To receive and consider the Financial Statements of the Company for the year ended 30 June 2009, together with the Directors' Report and the Independent Auditor's Report as set out in the Annual Report.

2. Resolution 1 – Remuneration Report (Non-Binding Resolution)

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

"To adopt the Remuneration Report for the year ended 30 June 2009".

**Please note that section 250R(3) of the Corporations Act 2001 (Cth) provides that the vote on this resolution is advisory only and does not bind the Directors or the Company.*

3. Resolution 2 – Re-election of Director: Mr Donal O'Dwyer

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

"That pursuant to article 15.3 of the Company's Constitution, the members of the Company approve the appointment of Donal O'Dwyer as a director of the Company, who, pursuant to article 15.3 of the Company's Constitution is retiring by rotation and being eligible, offers himself for re-election."

4. Resolution 3 – Approval of option issue to Mr Brian Jamieson

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

*"That for the purposes of Chapter 2E of the Corporations Act 2001 (Cth), ASX Listing Rule 10.11 and for all other purposes approval is granted for the issue to Mr Brian Jamieson of 300,000 unlisted options to acquire 300,000 ordinary shares in the capital of the Company credited as fully paid and exercisable by Mr Brian Jamieson at a cost to him of an amount per option equal to the 5 day Volume Weighted Average Closing Price of the Company's securities up to and including the 27th November 2009, being the period concluding on the trading day immediately preceding the Company's Annual General Meeting, plus a 20% premium (**Option Exercise Price**), the material terms of which are stated in the Explanatory Notes which accompany this Notice."*

5. Resolution 4 - Prior issue of shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.4 and for all other purposes, the shareholders approve and ratify Mesoblast's allotment on 2nd April 2009 of 15,018,069 fully paid ordinary shares credited as fully paid at a issue price of 72 cents per share and otherwise on the terms and conditions detailed in the Explanatory Memorandum accompanying this Notice of Meeting."

By Order of the Board:



.....
Kevin Hollingsworth
Company Secretary
28th October 2009

NOTES

These notes form part of the notice of the Annual General Meeting.

Annual Report

The annual report (which includes the financial report, the directors' report, the auditor's report and the remuneration report) is available for shareholders to access and download from the investor information page on the Company's website (www.mesoblast.com).

Shareholders who have elected to receive a copy of the annual report will receive it separately in the mail.

Shareholders Entitled to Vote

The directors have determined that, for the purpose of voting at the meeting, shareholders are those persons who are the registered holders of shares at 10.00 am Melbourne time on Saturday 28 November 2009.

Appointment of Proxies

If you are entitled to vote at the meeting you have the right to appoint a proxy to attend and vote in your place. To appoint a proxy you should use the attached proxy form. The proxy need not be a shareholder of the Company. If you are entitled to cast 2 or more votes you may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Proxy forms must be received at Mesoblast Limited, C/-Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235, Australia or by fax on +61 2 9287 0309 no later than 10.00am on Saturday 28 November 2009.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Mesoblast Corporation Limited

ABN 68 109 431 870

Notice of Annual General Meeting Explanatory Notes

These explanatory notes have been prepared to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General Meeting (**AGM**) of the Company (**Notice**) concerning the meeting to be held at Middletons Lawyers, Rialto South Tower, Level 25, 525 Collins Street, Melbourne on **30th November 2009 at 10.00 am** (Melbourne time).

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 in 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 and 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 of the meeting that the Financial Statements and Reports be accepted, rejected or modified in any way.

The Company's board of Directors (**Board**) unanimously recommends that shareholders vote in favour of Resolution 1.

2. Resolution 1 - Remuneration Report (Non-binding Resolution)

The Board submits its Remuneration Report to shareholders for consideration and adoption. The *Corporations Act 2001 (Cth)* specifically provides that the vote by shareholders is advisory only and is not binding on the Board or the Company. The Remuneration Report is set out in the Directors Report of the 2009 Annual Report. The Remuneration Report:

- explains the Board's policies in respect of the nature and level of remuneration paid to Directors and senior management of the Company;
- discusses the link between the Board's policies and the Company's performance;
- explains why the performance conditions were chosen and how performance is measured against them;
- sets out the remuneration details for each Director and each member of the Company's senior management team;
- makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives and executive Directors.

It is intended that shareholders will be provided an opportunity to discuss the Remuneration Report at the meeting.

The Board unanimously recommends that shareholders vote in favour of Resolution 2.

3. Resolution 2: Re-election of Director: Mr Donal O'Dwyer

Article 15.3(a)(ii) of the Constitution of the Company provides that at each annual general meeting one-third of the Directors, if their number is not a multiple of 3, then the number nearest to but not exceeding one-third of the Directors must retire from office. Mr Donal O'Dwyer was elected to the Board at the Company's Annual General Meeting held on 21st November 2007.

In accordance with Article 15.3 of the Constitution of the Company, Mr Donal O'Dwyer is due to retire, is eligible for re-election and has submitted himself for re-election at the Annual General Meeting.

The Directors (in the absence of Mr Donal O'Dwyer) recommend that shareholders vote in favour of the re-election of Mr Donal O'Dwyer.

4. Resolution 3: Issue of 300,000 options to Mr Brian Jamieson

Legal Background to Resolution 3

Under the Corporations Act 2001 (Cth), the provision of any financial benefit to a related party requires shareholder approval in accordance with the procedure set out in Part 2E.1 of that Act, unless one of a number of exceptions applies. Part 2E.1 applies to the issuance of options to a related party and the sale or acquisition of assets (and the passing of consideration) between the Company and a related party. A "related party" (as defined in the Act) includes the Directors of the Company.

In addition, ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company.

With respect to Resolution 3, relating to the issuance of options to Mr Brian Jamieson, whilst the Board is of the view that the options proposed to be issued would be issued upon terms that would meet the "arm's length terms" criteria of Section 210 of the Corporations Act (and would therefore be exempt from the need to seek shareholder approval pursuant to the Corporations Act), the Board nevertheless has decided to put the issues of options to shareholder vote. None of the other exceptions apply in these circumstances. Mr Jamieson (being a director of the Company) is a "related party" of the Company under the Corporations Act, and "related parties" under ASX Listing Rule 10.11.

4.1 Reason for issue and Board recommendation

The Board proposes to grant Mr Brian Jamieson 300,000 unlisted options to acquire 300,000 fully paid ordinary shares in the capital of the Company. The terms of the options are described in clause 4.3 below.

The Board considers that the grant of the 300,000 options to Mr Jamieson on the terms proposed in Resolution 4 to be reasonable in the circumstances as a reward for past services. Mr Jamieson has assisted the Board beyond what the Board considers to be the normal duties of a non executive director, particularly in fundraising, partnering, development strategies and personnel issues.

The Board views the grant as being in line with corporate remuneration of similar companies.

The grant of options has been valued at \$147,630.

The Board (except for Mr Jamieson) unanimously recommends that shareholders vote in favour of Resolution 4.

4.2 Part 2E of the Corporations Act 2001 (Cth) – Related Party Transaction

Under the Corporations Act 2001 (Cth), the provision of any financial benefit (which includes the grant of options) to a related party requires shareholder approval in accordance with the procedure set out in Part 2E.1 of that Act, unless one of a number of exceptions applies. Mr Jamieson, being a director of the Company, is a related party of the Company.

The following information is provided in accordance with Section 219 of the *Corporations Act 2001 (Cth)*:

- (a) The related party to whom the proposed resolution will permit a financial benefit to be given:

Mr Brian Jamieson

- (b) The nature of the financial benefit:

*The issue of 300,000 unlisted options to acquire 300,000 unissued ordinary shares in the capital of the Company, credited as fully paid, exercisable by Mr Jamieson at a cost to him of an amount per option equal to the 5 day Volume Weighted Average Closing Price of the Company's securities up to and including the 27th November 2009, being the period concluding on the trading day immediately preceding the Company's Annual General Meeting, plus a 20% premium (**Option Exercise Price**).*

- (c) Recommendations by each of the Directors of the Company:

Each of the directors of the Company (in the absence of Mr Jamieson) recommends the proposed issue of the options to Mr Jamieson.

- (d) In relation to each such Director, their interests in Resolution 4:

Apart from Mr Jamieson none of the Directors of the Company have any interest in the outcome of Resolution 4.

- (e) All other information that would be required by members in order to decide whether or not it is in the Company's best interest to pass Resolution 4:

- (i) *Mr Jamieson's remuneration as negotiated by the Board includes a base remuneration of \$110,092 and superannuation of \$9,908.*
- (ii) *Assuming resolution 4 is passed as at the date of this Notice of Annual General Meeting, Mr Jamieson's relevant interest in the securities of the Company are as follows:*

No. Securities	Fully paid ordinary shares	Partly paid ordinary shares	Executive Options
<i>Mr Brian Jamieson</i>	<i>235,000</i>	<i>Nil</i>	<i>300,000</i>

- (iii) *If shareholders approve this Resolution 4 and all of the options are exercised, the effect will be to dilute the shareholding of existing shareholders by approximately 0.22% on an undiluted basis.*

- (iv) *The market price of shares in the Company will normally determine if the options are exercised. If the Company's shares are trading on the ASX at a price that is higher than the exercise price of the options, there may be a perceived cost to the Company. In the 3 months before the date of this Notice of Annual General Meeting, the highest, lowest and last trading price of the Company's shares on the ASX as well as the trading price on the last trading day before the appointment of Mr Jamieson are set out below:*

<i>Highest</i>	\$1.30	7 August 2009
<i>Lowest</i>	\$0.76	2 July 2009
<i>Date of appointment</i>	\$1.40	22 November 2007

4.3 ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company.

ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information:

- (a) The name of the person to whom the securities will be issued:

Mr Brian Jamieson

- (b) The number of securities to be issued to the person:

*300,000 unlisted options to acquire 300,000 unissued ordinary shares in the capital of the Company, credited as fully paid, at an exercise price of an amount per option equal to the 5 day Volume Weighted Average Closing Price of the Company's securities up to and including the 27th November 2009, being the period concluding on the trading day immediately preceding the Company's Annual General Meeting, plus a 20% premium (**Option Exercise Price**).*

- (c) The date by which the entity will issue the securities:

Subject to the Resolution being passed, no later than 30 days after the date of this Annual General Meeting

- (d) The issue price of the securities and a statement of the terms of the issue:

Subject always to the provisions of the ASX Listing Rules applicable to options granted by a listed company

- (i) *The exercise price of each option will be the Option Exercise Price described at item 4.3(b) above, with the shares issued being credited as fully paid.*
- (ii) *The options will progressively vest/become exercisable in tranches of 75,000 options each upon the Company achieving certain commercial milestones, all of which are deemed by the directors to have a risk of forfeiture attached or immediately vest where a takeover offer (as defined in the Corporations Act 2001 (Cth)) is made or effective control in the Company changes.*

- (iii) *Subject to clause (iv) below, an option which has vested (ie the exercise conditions described in paragraph (ii) above have been satisfied) must be exercised within five years of its grant date. If the option is not exercised during that period it will lapse.*
- (iv) *If Mr Jamieson ceases to be a director of the Company, all unexercised options that are not vested will lapse upon the date of such cessation and all unexercised vested options will remain exercisable for 60 days beyond the date Mr Jamieson ceases to be a director of the Company, unless the Board resolve to extend this time period. The Board may only approve an extension up to, and not beyond, the original expiry dates of the options.*
- (v) *All unexercised options will lapse upon the liquidation of the Company.*
- (vi) *If prior to the exercise of an option, there is a re-organisation of the Company (including consolidation, subdivision, reduction, return or cancellation of the issued capital of the Company), then the exercise price or the number of outstanding options (or both) must be re-organised by the Company's Board of Directors in accordance with the ASX Listing Rules applying to a re-organisation at the time of the re-organisation.*
- (vii) *The options may not be sold or transferred except with the prior written consent of the Company.*
- (viii) *An option does not confer the right to participate in new issues of capital offered to holders of ordinary shares of the Company without exercising the option.*
- (ix) *The shares issuing upon the exercise of an option will rank equally in all respects with all other issued ordinary shares of the Company from the date of the issue of those shares.*

(e) Voting Exclusion Statement

*The Company will disregard any votes cast in respect of **Resolution 3** by:*

- *Mr Brian Jamieson; or*
- *an associate of Mr Brian Jamieson.*

However, the Company need not disregard a vote if:

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

(f) The intended use of the funds raised:

The funds raised from the exercise of the options will be used as working capital for the Company.

If all of the options are exercised, a total of \$366,000 will be raised.

(g) ASX Listing Rule 10.11

Approval of this issue of securities pursuant to Listing Rule 10.11 means that pursuant to Listing Rule 7.2 (Exception 14), member approval is not required under Listing Rule 7.1 to the issue of the 300,000 unlisted options to acquire 300,000 unissued ordinary shares in the capital of the Company to Mr Jamieson nor the issue of the shares upon the exercise of the options.

Valuation of options

The options have been valued using both the Black Scholes pricing model and Binomial theory and based on the following assumptions:

- (a) An underlying security price of \$1.02 for each tranche based on the 5 day Volume Weighted Average Closing Price of the Company's securities up to and including the 6th October 2009, on the assumption that this underlying security price will not vary significantly for the 5 day Volume Weighted Average Closing Price of the Company's securities up to and including the 27th November 2009 and that should there be a variation, the valuation described below will vary in the same proportion.
- (b) An exercise price of \$1.22 per option, for each tranche, based on the \$1.02 quoted above plus a 20% premium.
- (c) A dividend rate of 0%.
- (d) An annualised volatility rate for the Company's share price of 55% computed from the continuously compounded equity rates of return for the Company's equity, which has been calculated using historical closing share prices from the date of listing of the Company to the date of valuation.
- (e) A risk free rate of 5.14% being the yield on Commonwealth Government securities with a maturity date approximating that of the expiration period of the options as at 6TH October 2009.
- (f) An expiration period of 1,827 days from the respective dates of the grant of each tranches assuming that the options will not be exercised any earlier than upon or just before their expiration date (which is subsequent to the vesting dates for the options).

Based on the valuation methodologies adopted and the assumptions made the value of the options to be granted are as follows:

	<i>Tranche A</i>	<i>Tranche B</i>	<i>Tranche C</i>	<i>Tranche D</i>
<i>Exercise Price (refer (a) and (b) above)</i>	\$1.22	\$1.22	\$1.22	\$1.22
<i>Option price valued using the Black Scholes model</i>	\$.4921	\$.4921	\$.4921	\$.4921

Based on the valuation, the total value of the options proposed to be issued to Mr Jamieson under Resolution 4 is \$147,630. This is in addition to Mr Jamieson's Base Remuneration and superannuation of \$120,000.

5. Resolution 4 - Prior issue of shares

5.1 Short explanation - resolution 4

On 2nd April 2009, 15,018,069 fully paid ordinary shares (or 12.4% of issued capital), were issued to various sophisticated or wholesale investors introduced by Lodge Partners (**Subscribers**) at an issue price of 72 cents per share. Shareholder ratification is now being sought for the purposes of Listing Rule 7.4.

Under Listing Rule 7.1, Mesoblast may issue up to 15% of its ordinary share capital in any 12-month rolling period without shareholder approval. Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior share issue (and thereby refresh the company's ability in the future to issue up to 15% of its share capital without obtaining prior shareholder approval).

The issue of the shares and options to the Subscribers was within the 15% limitation imposed by ASX Listing Rule 7.1, however Mesoblast is now seeking shareholder ratification and approval for the issue of these shares and options which will effectively refresh the Company's ability to issue further securities under its 15% authority pursuant to ASX Listing Rule 7.1.

5.2 Regulatory Requirements - resolution 4

The ASX Listing Rules set out a number of regulatory requirements that must be satisfied in relation to the ratification of the issue of securities under resolution 4. These are summarised below.

5.3 Information required under ASX Listing Rules 7.5 - resolution 4

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

- (f) The maximum number of securities the entity is to issue:

15,018,069

- (g) The issue price of the securities:

72 cents

- (h) The names of the allottees.

Various sophisticated or wholesale investors introduced by Lodge Partners

- (i) The terms of the securities:

Fully paid ordinary shares

- (j) The intended use of the funds raised

Phase 2 clinical program development

5.4 Effect of passing of resolution 4

Resolution 4, if passed, will enable Mesoblast to retain the flexibility to issue equity securities within the next 12 months up to the 15% threshold without the requirement to obtain prior Shareholder approval.

5.5 Voting Exclusion

Pursuant to ASX Listing Rules 7.5.6 Mesoblast will disregard any votes cast on resolution 4 by:

- any person who participated in the issue, namely the Subscribers; and
- an associate of that person (or those persons).

However, Mesoblast need not disregard a vote if:

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

6. Further information


The Directors of the Company are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in the notice of general meeting.


The Directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

MESOBLAST LIMITED

ABN 68 109 431 870


LODGE YOUR VOTE

 **By mail:**
Mesoblast Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **By fax:** +61 2 9287 0309

 **ONLINE** www.linkmarketservices.com.au

All enquiries to:

 **Telephone:** 1300 554 474
Overseas: +61 2 8280 7111



X99999999999

SECURITYHOLDER VOTING FORM

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

STEP 1

APPOINT A PROXY

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 (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am on Monday, 30 November 2009, at at Middletons Lawyers, Rialto South Tower, Level 25, 525 Collins Street, Melbourne, Victoria and at any adjournment or postponement of the meeting.

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

STEP 2

VOTING DIRECTIONS

Resolution 1

Adoption of Remuneration Report
(Non-Binding Resolution)

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2


Re-election of Director:
Mr Donal O'Dwyer

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 3

Approval of option issue to
Mr Brian Jamieson

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

IMPORTANT - VOTING EXCLUSIONS

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Item 3 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of that Item and that votes cast by him/her for that Item, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in calculating the required majority if a poll is called on this Item.
The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3.

STEP 4

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

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

MSB PRX902



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

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

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

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 securities 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 securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

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

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities 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.
- 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 securityholder 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 security registry.

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 10:00am on Saturday, 28 November 2009, 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:

 **by mail:**
Mesoblast Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

 **by fax:**
+61 2 9287 0309

 **online:** **ONLINE** www.linkmarketservices.com.au

lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website);

 **by hand:**
delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

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.