
mesoblast
the regenerative medicine company



Mesoblast Remuneration

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Chair of the Remuneration and Nomination Committee

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This presentation, including any comments made during or following the presentation, may contain forward-looking statements that are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. These statements may relate to, but are not limited to: expectations regarding the safety or efficacy of, or potential applications for, Mesoblast's adult stem cell technologies; expectations regarding the strength of Mesoblast's intellectual property, the timeline for Mesoblast's regulatory approval process, and the scalability and efficiency of manufacturing processes; expectations about Mesoblast's ability to grow its business and statements regarding its relationships with Teva, Cephalon and Lonza and future benefits of those relationships; statements concerning Mesoblast's share price or potential market capitalization; and statements concerning Mesoblast's capital requirements and ability to raise future capital, among others. Actual results may differ from the results anticipated in these forward-looking statements, and the differences may be material and adverse. Factors and risks that may cause Mesoblast's actual results, performance or achievements to be materially different from those which may be expressed or implied by such statements, include, without limitation: risks inherent in the development and commercialization of potential products; uncertainty of clinical trial results or regulatory approvals or clearances; government regulation; the need for future capital; dependence upon collaborators; and protection of our intellectual property rights, among others. Accordingly, you should not place undue reliance on these forward-looking statements.



Remuneration Strategy & Objectives

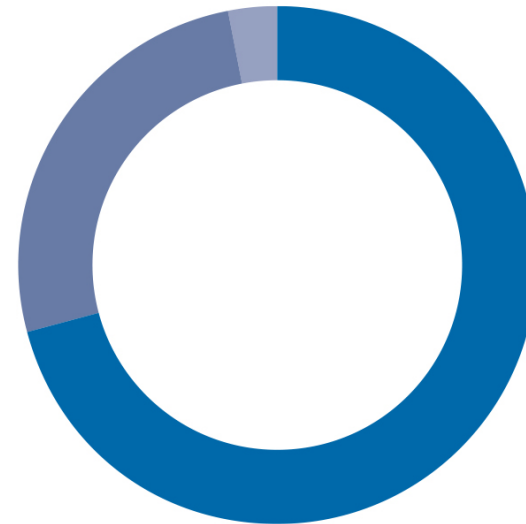
- ❑ Facilitate achievement of the Company's goals
- ❑ Attract & retain leaders and people with highly specialised skills
- ❑ Common global remuneration framework
- ❑ Optimise the personal performance of individual executives
- ❑ Keep it simple

➤ To Create Shareholder Value

Mesoblast Overview – Remuneration in Context

- ❑ Biotechnology Industry
 - High Risk – High Reward
 - Pre-Revenue - Development Phase
- ❑ Global Company
 - 76 employees
 - Australian Head-Quartered (Melbourne)
 - US Operations
 - Global Shareholder base

Employees by Region

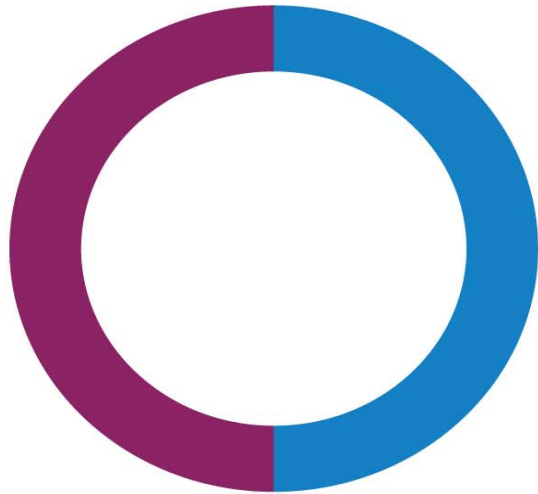


- USA – 71%
- Australia – 26%
- Singapore – 3%

CEO & Executive Total Remuneration

CEO Total Target Rem

- Fixed – 50%
- STI – 50%



Executive Total Target Rem

- Fixed – 40%
- STI – 20%
- LTI – 40%



Short Term Incentive Plans (STIs)

Payout based on:

- ❑ Overall company performance
 - Achievement of key milestones
 - Overall spend versus budget
 - Project spend and progress versus plan

- ❑ Individual's performance against agreed objectives

Long Term Incentive Plans (LTIs)

- ❑ 2 LTI Schemes:
 1. Loan Funded Shares for Australian employees;
 2. Standard Stock Options for employees outside of Australia
- ❑ Both schemes accrue identical remuneration benefits for employees
- ❑ Awards have 5 year life – vesting occurs over first 3 years, with 1/3 of grant vesting each year
- ❑ Grants are awarded at a premium to the share price at the time of the grant

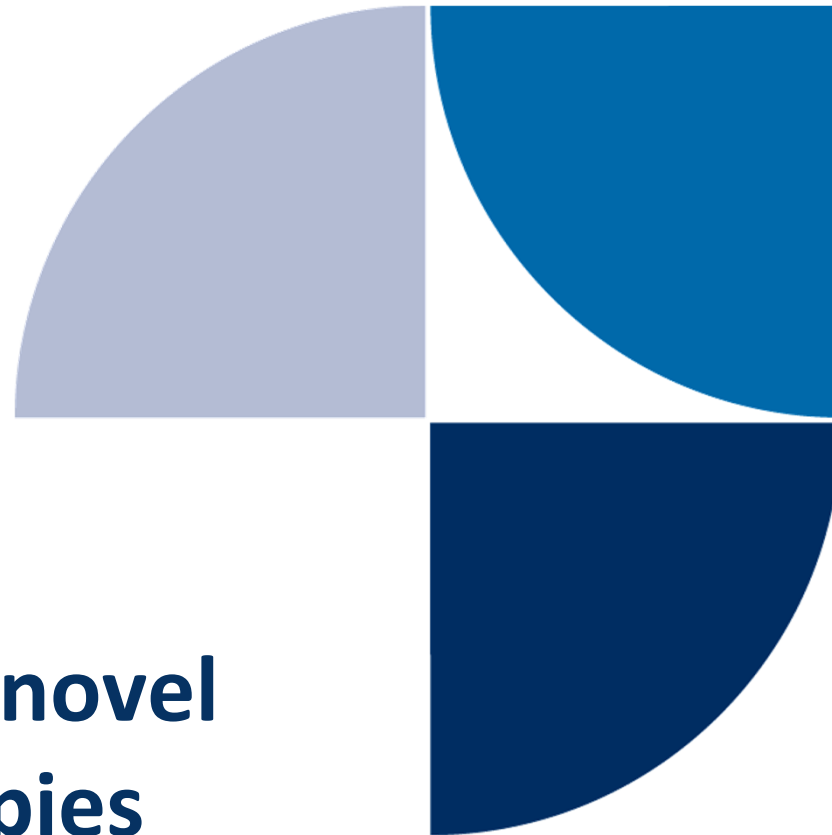
Summary

- ❑ Remuneration is intended to meet our shareholders expectations
- ❑ It facilitates attracting and retaining high calibre employees
- ❑ Executives are motivated to deliver strong performance and results

Create Shareholder Value

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**Leading the world in novel
adult stem cell therapies**
