
MESOBLAST DIVERSITY POLICY

Introduction

Mesoblast is committed to responsible corporate governance and to meeting the ASX Corporate Governance Principles and Recommendations (updated August 2010) wherever it is possible and practicable to do so.

In August 2010, the ASX incorporated a new principle (Principle 3.2) within its Principles and Recommendations, recommending listed entities adopt a diversity policy and develop a reporting framework around gender diversity in the company.

In line with Principle 3.2, Mesoblast has adopted the following diversity policy and reporting framework.

Background

Mesoblast is diverse along many directions. Our diversity encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience and education. We believe that the wide array of perspectives that results from such diversity promotes innovation and business success. Managing diversity makes us more creative, flexible and productive.

Mesoblast's policy is to ensure it engages "best of breed" partner organisations, consultants, experts, and employees. This includes recruiting people who are well qualified for their position, and those who will embrace the Mesoblast culture and work ethic.

Policy

Diversity management benefits individuals, teams, our company as a whole, and ultimately the people who receive the therapies we develop. Mesoblast respects and values the competitive advantage of diversity and seeks to leverage the full potential of its people, across all levels of the organisation. The company respects and acknowledges individual differences and believes this diversity provides many benefits for the Company.

Mesoblast seeks to continue to develop an organisation which internally reflects the diversity of our partners, customers and the communities in which we operate.

Policy Objectives

In order to meet and comply with the above diversity policy, Mesoblast employs the following principles:

- Promote equal employment opportunities based on ability, performance and potential;
- Recruitment, professional development, promotion, and remuneration decisions are all based on performance (potential) and ability;
- Builds a safe working environment by taking action against inappropriate workplace behaviour, including bullying, discrimination, harassment, victimisation and vilification;
- Promote flexible work practices where possible and reasonable in the circumstances, to meet the differing needs of our employees;
- Ensure appropriate policies and procedures exist that encourage diversity and meet legislative requirements.

People Leaders are supported to manage diversity to ensure that employees are treated fairly and evaluated objectively. We have clear reporting procedures for any type of discrimination or harassment combined with follow-up procedures to prevent future incidents.

Measurable diversity objectives

The Board are responsible for approving and reviewing measurable objectives for achieving gender diversity in the workplace.

Reporting

Each year, in its Corporate Governance Statement included in the Annual Report, Mesoblast will comment on the diversity policy and the extent to which it has complied with ASX Corporate Governance Principle 3.2.

Responsibilities

The Board, through the Nomination and Remuneration Committee has responsibility for overseeing this Policy. Mesoblast's Vice President Human Resources, with the support of the Chief Executive and the Executive Team. Is responsible for implementing this Policy, including:

- The development, implementation and review of diversity programs and initiatives to support diversity; and
- Reporting to the Board and the Nomination and Remuneration Committee on our progress towards achieving the measurable objectives once approved by the Board.

The Remuneration and Nomination Committee is responsible for diversity matters with regard to appointment of directors and the mix of skills and attributes required for the Board.

While the Vice President, Human Resources has overall responsibility for implementing this Policy, all employees are expected to demonstrate appropriate behaviour which promotes the objectives of the Policy.

Policy Review

The Nomination and Remuneration Committee is committed to reviewing this Policy periodically, and its effectiveness, and will submit any changes to the Policy to the Board for approval.