

ASX Announcement



20 April 2022

Cardno Limited (ASX:CDD) – Notice of Extraordinary General Meeting and Proxy Form

Pursuant to ASX Listing Rule 3.17.1, please find attached a copy of the Notice of Meeting for the Extraordinary General Meeting of Cardno Limited (ASX:CDD) (**Cardno**) and accompanying Proxy Form.

The Extraordinary General Meeting will be held by virtual means at 10:00am (AEST) on Tuesday, 24 May 2022. Further information on how Cardno shareholders may participate in the meeting online is contained in the Notice of Meeting.

This announcement has been authorised by Cherie O’Riordan, Company Secretary.

- ENDS -

For all Authorised Officer and Investor enquiries:

Cherie O’Riordan
Chief Financial Officer and Company Secretary
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Cardno Limited

ABN 70 108 112 303

Notice of General Meeting and Explanatory Memorandum to Shareholders

Date of Meeting

Tuesday, 24 May 2022

Time of Meeting

10:00am (AEST)

Place of Meeting

To be held virtually via <https://meetnow.global/M245TUL>.

Please read the Notice and the Explanatory Memorandum carefully and in their entirety. If you are unable to attend the General Meeting, please appoint a proxy in accordance with the directions in the "Appointment of proxies" section of the Notice.

If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional advisers prior to voting.

Important dates

Event	Date
Date of Notice of Meeting and Explanatory Memorandum	Wednesday, 20 April 2022
Deadline for lodgement of proxy appointments online and return of Proxy Forms for the General Meeting	10:00am (AEST) on Sunday, 22 May 2022
Record date for determining eligibility to vote at the General Meeting	
General Meeting of Shareholders to approve Transaction and Capital Return	10:00am (AEST) on Tuesday, 24 May 2022
<p><i>The following dates (and all references throughout this Notice to such dates) are indicative only and will depend on the actual date of Completion for the Transaction. Cardno will confirm these dates through the ASX Market Announcements Platform (and on the 'Investor Centre' section of the International Development Business website) as soon as it is able to do so.</i></p>	
Notification to ASX that Completion of the Transaction has occurred and that the Special Dividend and Capital Return will be paid.	Currently expected to be Friday, 24 June 2022 (subject to the timing of the satisfaction or waiver (as applicable) of the conditions precedent under the Share Purchase Agreement).
Effective date of the Capital Return	Monday, 27 June 2022
Last day for trading in Shares on a 'cum Special Dividend and Capital Return' basis	Tuesday, 28 June 2022
Shares commence trading on an 'ex Special Dividend and Capital Return' basis	Wednesday, 29 June 2022
Record Date for determining entitlements to participate in the Capital Return and to be paid the Special Dividend	7:00pm (AEST) on Thursday, 30 June 2022
Payment date in respect of the Capital Return and the Special Dividend	Thursday, 7 July 2022

All dates and times after the date of the General Meeting are indicative only and subject to change and assume that Completion under the Share Purchase Agreement occurs on 24 June 2022 (which is subject to change depending on the timing of the satisfaction or waiver (as applicable) of the conditions precedent under the Share Purchase Agreement).

Notice of General Meeting

Notice is hereby given that a General Meeting of members of **CARDNO LIMITED** (ABN 70 108 112 303) (**Cardno** or the **Company**) will be held as a virtual meeting on Tuesday, 24 May 2022 at 10:00am (AEST).

The Company is continuing to monitor the impact of the COVID-19 pandemic and follow guidance from the Federal and State Governments. In light of the current circumstances and in the interest of the health and safety of all stakeholders, the Directors have resolved that it would be unreasonable for Cardno to hold a meeting of its members wholly or partially at one or more physical venues, due to the impact of the COVID-19 pandemic. Accordingly, the Meeting will be held virtually (in accordance with the ASIC Corporations (Virtual-only Meetings) Instrument 2022/129). There will not be a physical location where Shareholders can attend the Meeting in person.

In accordance with the recently enacted *Corporations Amendment (Meetings and Documents) Act 2022* (Cth), Shareholders who have previously elected to receive communications from Cardno electronically (and have nominated an email address for that purpose) will receive an email containing a link to where they can download the Notice and a personalised Proxy Form in respect of the General Meeting. Shareholders who have previously elected to receive communications from Cardno in hard copy will be sent the Notice (enclosing a personalised Proxy Form in respect of the General Meeting) in hard copy.

The Notice of Meeting can also be viewed and downloaded by Shareholders from the following link (www.investorvote.com.au (control number 136665)). Please refer to the Notice of Meeting for details on how to participate in the Meeting.

Shareholders may be present and vote through the online meeting platform at <https://meetnow.global/M245TUL> on their smartphone, tablet or computer and will need the latest versions of Chrome, Safari, Edge or Firefox. Further information regarding online attendance at the Meeting (including how to participate, vote and ask questions virtually during the Meeting) is set out in the Company's Online Meeting Guide, which is attached to this Notice of Meeting at Annexure A and is also available in the 'Investor Centre' section of the International Development Business [website](#).

An Explanatory Memorandum containing additional information on the matters to be considered at the Meeting accompanies and forms part of this Notice.

Ordinary Business

RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

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

'That, under and for the purposes of Listing Rule 11.2 and for all other purposes, approval is given for the disposal of the Company's International Development Business, being the main undertaking of the Company, by way of the sale of 100% of the shares on issue in the Sale Entities to DT Global, in accordance with the terms of the Share Purchase Agreement described in the Explanatory Memorandum.'

This Resolution is subject to the voting exclusions set out at the end of this Notice of Meeting.

RESOLUTION 2 – RETURN OF CAPITAL TO SHAREHOLDERS

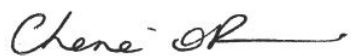
To consider and, if thought fit, pass the following as an **ordinary resolution**:

'That, subject to and conditional on Resolution 1 being passed and Completion occurring under the Share Purchase Agreement, approval is given for the issued share capital of the Company to be reduced in accordance with sections 256B and 256C of the Corporations Act, with such capital reduction to be effected, subject to the Board's discretion, in the form and on the terms set out in the Explanatory Memorandum.'

Details of the definitions and abbreviations used in this Notice of Meeting are set out in the Glossary to the Explanatory Memorandum, unless the context requires otherwise.

By the order of the Board

Dated 20 April 2022

A handwritten signature in black ink, appearing to read "Cherie O'Riordan". The signature is fluid and cursive, with a long horizontal stroke at the end.

CHERIE O'RIORDAN
Company Secretary

Notes

ONLINE VOTING PROCEDURE

In light of the current circumstances and in the interest of the health and safety of all stakeholders, the Directors have resolved that it would be unreasonable for Cardno to hold a meeting of its members wholly or partially at one or more physical venues, due to the impact of the COVID-19 pandemic. Accordingly, the Meeting will be held virtually. There will not be a physical location where Shareholders can attend the Meeting in person. All Shareholders will have the opportunity to attend and participate in the Meeting online via an internet connection (using a computer, laptop, tablet or smartphone).

Shareholders are invited and encouraged to participate in the Meeting and vote electronically using the online meeting platform. The online meeting platform will provide Shareholders with the ability to view and participate in the proceedings of the Meeting by webcast, and to cast their votes during the Meeting.

Instructions on how to download and use the online meeting guide are contained in Annexure A to this Notice.

In light of the continuing COVID-19 pandemic, Cardno encourages Shareholders to monitor the ASX and the International Development Business [website](#) for updates (if any) following the issuing of this Notice of Meeting.

POLL AND REQUIRED MAJORITIES

In accordance with rule 16.13 of the Constitution and in compliance with the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth), the Chairman intends to call a poll on each of the resolutions proposed at the Meeting.

For each resolution to be put to Shareholders at the Meeting, the resolution must be passed as an ordinary resolution, being by more than 50% of the votes cast on the resolution by Shareholders who are present and voting at the Meeting, either online (through the online meeting platform) or by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative.

ENTITLEMENT TO VOTE AT THE MEETING

For the purpose of rule 16.14 of the Constitution, Cardno has determined that for the purpose of voting at the Meeting (or adjourned Meeting), Shareholders who are recorded in Cardno's register of Shareholders as at 10:00am (AEST) on Sunday, 22 May 2022 will be taken, for the purposes of the General Meeting, to be entitled to attend and vote at the Meeting.

APPOINTMENT OF PROXIES

1. If you are a Shareholder and you are unable to attend and vote at the Meeting, and wish to appoint a proxy, please go to www.investorvote.com.au and appoint your proxy (or alternatively, complete and post a hard copy Proxy Form in accordance with the instructions below and on the hard copy Proxy Form). You will need your six-digit Control Number and your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**). Alternatively, you can scan the QR code on the Proxy Form with your mobile device and insert your post code.
2. The Proxy Form (and a certified copy of the power of attorney or other authority (if any) under which it is signed), must be received by our Share Registry, Computershare Investor Services, **no later than 10:00am (AEST) on Sunday, 22 May 2022 (being 48 hours before the Meeting)** at the address below or submitted electronically:

Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, Victoria, 3001, Australia
or faxed to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Proxy Forms may also be submitted online by visiting www.investorvote.com.au.
3. Shareholders are encouraged to appoint a proxy online. If you wish to appoint a proxy by completing and posting a Proxy Form, please be aware of current postal timeframes, including the possibility of delays due to COVID-19 regulations and reduced frequency of deliveries. Further, even if you plan to participate in the virtual Meeting, you are still encouraged to submit a directed proxy in advance of the Meeting so that your votes can still be counted if for any reason you cannot participate in the Meeting (for example, if there is an issue with your internet connection on the day of the Meeting).

4. Intermediary Online Subscribers (Custodians) may lodge their proxy instruction online by visiting www.intermediaryonline.com.
5. A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
6. If the Chairman is appointed as a Shareholder's proxy or becomes their proxy by default, the Shareholder will be expressly authorising the Chairman to exercise the proxy in respect of the relevant item as the Chairman decides. The Chairman of the Meeting intends to vote all available (including undirected) proxies in favour of each item of business.

Shareholders are notified that the following applies to proxy appointments:

- (a) a Shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy to attend the Meeting (online through the online meeting platform) and vote for the Shareholder;
- (b) the appointment of the proxy may specify the proportion or number of votes that the proxy may exercise on the appointing Shareholder's behalf;
- (c) a Shareholder who is entitled to cast two or more votes at the Meeting may appoint one or two proxies. If you wish to appoint a second proxy, a second hard copy Proxy Form should be used and you should clearly indicate on the second Proxy Form that it is a second proxy and not a revocation of your first proxy. Both Proxy Forms should be returned together in the same envelope. If you wish to appoint two proxies using hard copy Proxy Forms, you will need to obtain a second Proxy Form. Please contact the Share Registry on the telephone number below to obtain an additional Proxy Form. You cannot appoint a second proxy online. Where two proxies are appointed, each proxy should be appointed to represent a specified proportion of the Shareholder's voting rights. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of that Shareholder's votes (with any fractions of votes disregarded);
- (d) a proxy may be an individual or a body corporate and need not be a Shareholder. If an eligible Shareholder appoints a body corporate as a proxy, the body corporate will need to ensure that it appoints an individual as the corporate representative and provides satisfactory evidence of that appointment. If a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative in accordance with sections 250D and 253B of the Corporations Act to exercise its powers as proxy at the Meeting;
- (e) if you hold Shares jointly with one or more other persons, in order for your proxy appointment to be valid, either Shareholder may sign the Proxy Form; and
- (f) each proxy will have the right to vote on the poll conducted at the Meeting and also to ask questions at the Meeting (in each case online through the online meeting platform).

If you have any queries about how to cast your votes, you can contact our Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside of Australia).

VOTING BY PROXY

You can direct your proxy to vote by following the instructions on the Proxy Form or online. You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or 'abstain' from voting on, each resolution at the Meeting, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the Meeting.

If you do not direct your proxy how to vote on the resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the Shares the subject of the proxy appointment will not be counted in computing the required majority for each resolution at the Meeting.

If the Chairman is appointed as your proxy (or is appointed as your proxy by default), he can be directed how to vote by ticking the relevant boxes next to the relevant resolution on the Proxy Form or online (i.e. 'for', 'against' or 'abstain'). The Chairman is required to cast all votes as directed. The Chairman's intentions in respect of voting all undirected and other available proxies is set out in the Explanatory Memorandum to this Notice.

Any directed proxies that are not voted on a poll at the Meeting by a Shareholder's appointed proxy will automatically default to the Chairman, who is required to vote proxies as directed on a poll.

If you return your Proxy Form:

- (a) without identifying a proxy on it, you will be taken to have appointed the Chairman as your proxy to vote on your behalf; or
- (b) with a proxy identified on it (or otherwise validly appoint a proxy) but your proxy does not participate in the Meeting, the Chairman will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form or other proxy lodgement.

If you have appointed a proxy and participate in and vote at the Meeting, the authority of your proxy to participate and vote, on your behalf, is automatically suspended. However, if you view a live webcast of the Meeting as a 'guest', you will not revoke your proxy appointment.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Share Registry before the start of the Meeting (or, if the Meeting is adjourned or postponed, before the resumption of the Meeting in relation to the resumed part of the Meeting) in any of the ways described above.

JOINTLY HELD SHARES

If Shares are jointly held, only one of the joint Shareholders is entitled to vote at the Meeting. If more than one joint Shareholder votes, only the vote of the Shareholder whose name appears first on the register of Shareholders will be counted.

SHAREHOLDER QUESTIONS

The Meeting will be webcast live for participation by Shareholders and proxyholders. There will not be a physical meeting that Shareholders can attend in person. Although Shareholders will be provided with a reasonable opportunity to submit questions online at the Meeting, the Company requests that Shareholders submit any questions that they would like answered at the Meeting to the Company in advance of the Meeting by sending them by email to the following email address: companysecretary@cardno.com.au.

Please note that not all questions may be able to be answered during the Meeting. In this case, answers may (at the Company's discretion) be made available in the 'Investor Centre' section of the International Development Business [website](#) after the Meeting.

TECHNICAL DIFFICULTIES

Technical difficulties may arise during the course of the Meeting. The Chairman has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising his discretion, the Chairman will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where he considers it appropriate, the Chairman may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

VOTING EXCLUSION STATEMENT

Resolution 1

Cardno will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- (a) DT Global or any of its Associates; and
- (b) any other person who will obtain a material benefit as a result of the Transaction (except such a benefit received by a Shareholder solely in its capacity as a Shareholder) or any Associate of such a person.

However, the Company will not disregard a vote cast in favour of Resolution 1 if:

- (a) it is cast by a person as proxy or attorney for a person who is otherwise entitled to vote on Resolution 1 in accordance with directions given to the proxy or attorney to vote on Resolution 1 in that way;
- (b) it is cast by the Chairman as proxy or attorney for a person who is entitled to vote on Resolution 1 in accordance with a direction given to the Chairman to vote on Resolution 1 as the Chairman decides; or
- (c) it is cast by a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting on Resolution 1, and is not an Associate of a person excluded from voting, on Resolution 1; and

- (ii) the Shareholder votes on Resolution 1 in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Resolution 2

No voting exclusion statements are required for, or apply to, Resolution 2.

Explanatory Memorandum

This Explanatory Memorandum has been prepared to help Shareholders understand the business to be put to Shareholders at the Meeting. This Explanatory Memorandum forms part of the Notice of Meeting and should be read in full in conjunction with the Notice of Meeting. Terms used in the Notice of Meeting and the Explanatory Memorandum are defined in the Glossary at the end of this Explanatory Memorandum.

A copy of this Notice of Meeting (including this Explanatory Memorandum) has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Notice of Meeting (including this Explanatory Memorandum).

RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

1.1 BACKGROUND

On 21 October 2021, Cardno announced to the ASX the sale of its Americas and Asia-Pacific consulting businesses to wholly-owned subsidiaries of Stantec Inc. pursuant to two separate share sale agreements. Following the completion of these transactions, which occurred on 9 December 2021, Cardno's ongoing businesses became its International Development Business and its Latin American business.

On 15 November 2021, the Company announced to the ASX that it would continue its strategic review of its remaining operations, including its International Development Business. The process involved an assessment of acquisition, merger and sale options in respect of the International Development Business with a view to enhancing value for Shareholders. This strategic review was conducted by Cardno and its financial adviser, Greenhill & Co, and saw a number of international development groups conduct due diligence on Cardno's International Development Business. This allowed the Board considerable price discovery as to the value of the International Development Business.

On 28 March 2022, Cardno announced to the ASX that it had entered into a Share Purchase Agreement to sell the International Development Business to DT Global. Built on over 50 years of experience through its legacy companies, DT Global provides solutions to international and social development challenges. From early stage crisis and stabilisation assistance to economic development, governance, and environmental work, DT Global provides various services to communities in five principal development areas, being: economic growth, environment and infrastructure, human development, governance and stabilisation and transition.

Cardno's International Development Business is a provider of international development services to the Australian Department of Foreign Affairs and Trade, United States Agency for International Development and other development aid agencies. The International Development Business designs and implements large-scale sustainable solutions for both development assistance agencies and private clients. The International Development Business operates primarily in the Asia Pacific and the Americas regions (where Cardno's key clients are located).

Pursuant to the terms of the Share Purchase Agreement, the Company has agreed to sell the entire International Development Business to DT Global by way of the sale of all of the shares on issue in the Sale Entities for a total cash consideration of A\$56.5 million (subject to working capital and net debt adjustment mechanisms).

Completion under the Share Purchase Agreement is conditional upon Shareholders approving the disposal of the Company's main undertaking under Listing Rule 11.2 (which is the subject of Resolution 1) and the other remaining condition precedent being satisfied or waived (as applicable), being that Cardno establishes its information technology systems on a Standalone Basis (as described in more detail in section 1.5(b) of the section of this Explanatory Memorandum which discusses Resolution 1).

1.2 LISTING RULE 11.2

Listing Rule 11.2 requires an ASX-listed company to obtain the approval of its Shareholders before it disposes of its main undertaking. Following consultation with the ASX, Shareholder approval for the Transaction is being sought for the purposes of Listing Rule 11.2 at the Meeting (which is the purpose of Resolution 1).

Under the Share Purchase Agreement, Completion is conditional on Shareholders approving the Transaction for the purposes of Listing Rule 11.2. If Resolution 1 is passed at the Meeting, Cardno will be able to proceed with and complete the Transaction, subject to the satisfaction or waiver (as applicable) of the other remaining condition precedent, being that Cardno establishes its information

technology systems on a Standalone Basis (as described in more detail in section 1.5(b) of the section of this Explanatory Memorandum which discusses Resolution 1).

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 1, in the absence of a Superior Proposal. Each Director who holds or controls Shares¹ intends to vote those Shares in favour of Resolution 1, in the absence of a Superior Proposal.

The Company's majority shareholder, Crescent Capital Partners (which, as at the date of this Notice of Meeting, holds 21,794,638 Shares (representing 55.8% of the Shares on issue)) has notified the Board in writing that it intends to vote all Shares held by it in favour of the Transaction, in the absence of a superior proposal. Crescent Capital Partners has consented to the inclusion of this statement in this Notice of Meeting.

1.3 RELATIONSHIP BETWEEN THE TRANSACTION AND THE DISTRIBUTION

Subject to Resolution 1 being passed by the required majority at the Meeting and Completion of the Transaction, the Company anticipates that it will have capital in excess of what is required for the Company's ongoing operations for the foreseeable future. Accordingly, subject to Shareholders approving Resolution 2 at the Meeting, and as described in section 1.1 of the section of this Explanatory Memorandum which discusses Resolution 2, the Company intends to distribute approximately A\$56.6 million to Shareholders. Prior to the Completion of the Transaction, Cardno will have sufficient existing cash reserves to fund any costs associated with the Transaction, in addition to ongoing cash flow and working capital requirements.

Accordingly, subject to Shareholders approving Resolution 2 at the Meeting, Cardno intends that the estimated amount set out above will be returned to Shareholders by way of the Special Dividend and the Capital Return (together, the **Distribution**). As the declaration and/or payment of the Special Dividend does not require Shareholder approval, a resolution in respect of the Special Dividend will not be put to Shareholders at the Meeting. The reasons why the Company is seeking Shareholder approval for the Capital Return is set out in the section of this Explanatory Memorandum which discusses Resolution 2.

If Resolution 1 is not passed by the required majority at the Meeting, Cardno will not be able to proceed with the Transaction, the Share Purchase Agreement may be terminated (by either the Company or DT Global) in accordance with its terms, no Distribution will be made, and the Company will continue to operate its International Development Business.

For the avoidance of doubt, Resolution 1 is not conditional upon Resolution 2 being approved. If Resolution 1 is approved (and the Transaction completes), but Resolution 2 is not approved, this will limit the ways in which the Company can distribute the proceeds of the Transaction to Shareholders, however, in that case, the Board reserves the right to deal with the cash consideration received on Completion of the Transaction as it considers appropriate, which may still include a distribution of cash to Shareholders through other available means.

1.4 REASONS FOR THE TRANSACTION

The Directors believe that, having considered the advantages and disadvantages of the Transaction (as set out below), on balance, the Transaction is in the best interests of Shareholders.

(a) Potential advantages of the Transaction

The Board is of the view that the key advantages of the Transaction (and the key reasons why Shareholders may vote in favour of Resolution 1) are as follows:

- (i) the entry by Cardno into the Share Purchase Agreement and the announcement of the Transaction was the result of an extensive global strategic review that was conducted by Cardno and its financial adviser, Greenhill & Co, with the objective of maximising the value of the remaining operations of the Company for Shareholders after the sale of Cardno's Americas and Asia-Pacific consulting businesses to wholly-owned subsidiaries of Stantec Inc. in December 2021. In reaching its conclusion that the Transaction is in the best interests of Shareholders and determining that Cardno should enter into the Share Purchase Agreement, the Board considered the outcome of the strategic review (including the proposals received from third parties other than DT Global as part of the strategic review) and alternative options for the International Development Business to deliver

¹ As at the date of this Notice, Mr Jeffrey Forbes is the only Director who holds or controls Shares. Mr Jeffrey Forbes holds or controls 14,862 Shares (representing 0.04% of the Shares on issue). Mr Michael Alscher and Mr Nathaniel Thomson do not personally hold or control any Shares.

value to Shareholders, including continuing to deliver on growth opportunities. Following consideration of these matters, the Board unanimously concluded that:

- the Transaction is the most attractive option for Shareholders and the Board considers that the Transaction consideration (being cash consideration of A\$56.5 million) recognises the current and inherent value of the International Development Business; and
 - having regard to all relevant factors, on balance, the Board considers that the certainty from the all-cash Transaction consideration and the value inherent in the Transaction, together with the Distribution, will deliver greater benefits to Shareholders than any other alternatives currently available for the International Development Business under the status quo, including continuing to operate as part of Cardno;
- (ii) the Transaction and the subsequent Distribution (if approved) provide certain value to Shareholders in respect of their investment in the International Development Business (through their investment in Shares). In contrast, if the Transaction does not proceed, the amount that Shareholders will be able to realise for their investment in the International Development Business (through their investment in Shares) will necessarily be uncertain. If the Transaction and the Distribution are approved, the Transaction removes this uncertainty for Shareholders;
- (iii) since the announcement of the Transaction, no Superior Proposal has been received by the Board (or has otherwise emerged). The entry by Cardno into the Share Purchase Agreement follows Cardno having undertaken the extensive global strategic review process described above. As part of this process, Cardno engaged with a range of interested parties. Since the announcement of the entry by Cardno into the Share Purchase Agreement, no Superior Proposal has been received by the Board (or has otherwise emerged), and the Board is not in active discussions with any third party as at the date of this Notice regarding the development of a potential Superior Proposal by that third party. Given that, and having regard to the extensive nature of the strategic review (as described above), the Board believes that it is unlikely that a Superior Proposal will be received by the Board (or will otherwise emerge) before the date on which the Transaction is currently expected to complete;
- (iv) the Company's majority shareholder, Crescent Capital Partners (which, as at the date of this Notice of Meeting, holds 21,794,638 Shares (representing 55.8% of the Shares on issue)) has notified the Board in writing that it intends to vote all Shares held by it in favour of the Transaction, in the absence of a superior proposal;
- (v) if the Transaction does not complete, the price at which Shares trade will continue to be subject to market volatility (including general stock market movements, the impact of general economic conditions and the demand for listed securities) and Shareholders will continue to be exposed to the risks associated with Cardno's business (including the International Development Business). As such, if the Transaction does not complete, the price at which Shares trade may fall, including to a price that is below the per-Share amount of the Distribution; and
- (vi) Shareholders will retain the value implied in Cardno's share price by Cardno's remaining operations and the excess cash on the Company's balance sheet (as described in section 1.5(e) of the section of this Explanatory Memorandum which discusses Resolution 1). Cardno expects to retain more than A\$15 million of cash after paying all transaction costs and the Distribution to Shareholders.²

(b) Potential disadvantages of the Transaction

The Board is of the view that the key disadvantages of the Transaction (and the key reasons why Shareholders may vote against Resolution 1) are as follows:

- (i) if the Transaction completes, Shareholders will not be able to participate in the future financial performance of the Company's International Development Business.

² A\$5 million may be placed in escrow for two months following Completion of the Transaction if DT Global does not procure a buy-side warranty and indemnity insurance policy relating to the International Development Business prior to Completion of the Transaction (see section 1.5 of the section of this Explanatory Memorandum which discusses Resolution 1 for more information).

Shareholders may prefer to retain their investment in Cardno as it is currently comprised (and, consequently, their indirect exposure to the International Development Business through their ownership of Shares) and have the opportunity to participate in the future financial performance of Cardno (inclusive of the International Development Business);

- (ii) if the Transaction completes, the scale of the Company will be materially reduced and the liquidity of Shares may decrease. Refer to section 1.6(e) of the section of this Explanatory Memorandum which discusses Resolution 2 for an overview of Cardno's remaining operations if the Transaction proceeds. This may affect the market price of the Shares and the ability of Shareholders to trade their Shares after Completion of the Transaction;
- (iii) Completion of the Transaction does not mean that the Distribution will be made. The Distribution is subject to Shareholders approving Resolution 2 by the required majority at the Meeting;
- (iv) the tax consequences of the Distribution may not suit the current financial position of an individual Shareholder. As described in section 1.7 of the section of this Explanatory Memorandum which discusses Resolution 2, the Company is applying to the ATO for a class ruling to confirm the Australian tax consequences of the Capital Return for Shareholders who hold their Shares on capital account for Australian tax purposes. The ATO will not issue this ruling until after the Capital Return is made and the ATO may determine a tax treatment for the Capital Return in the class ruling that is not in accordance with the Company's application;
- (v) Shareholders may believe that there is the potential for a Superior Proposal to be made in the foreseeable future (however, as at the date of this Notice of Meeting, no Superior Proposal has been received by the Board or has otherwise emerged and, for the reasons set out above, the Directors believe that it is unlikely that a Superior Proposal will be received by the Board (or will otherwise emerge) before the date on which the Transaction is currently expected to complete); and
- (vi) notwithstanding the unanimous recommendation of the Directors that Shareholders vote in favour of the Transaction, in the absence of a Superior Proposal, Shareholders may believe that the Transaction is not in their best interests or in the best interests of Shareholders as a whole.

1.5 MATERIAL TERMS OF THE SHARE PURCHASE AGREEMENT

The key terms of the Share Purchase Agreement between the Company and DT Global for the sale of the Company's International Development Business are set out below.

(a) Consideration

The consideration payable by DT Global under the Share Purchase Agreement is A\$56.5 million in cash. The consideration is payable on Completion under the Share Purchase Agreement, which will occur on:

- (i) if all of the conditions precedent to Completion under the Share Purchase Agreement (see below) are satisfied or waived (as applicable) on or before 17 June 2022 (Sydney time), 24 June 2022; or
- (ii) if all of the conditions precedent to Completion under the Share Purchase Agreement (see below) are not satisfied or waived (as applicable) on or before 17 June 2022 (Sydney time), the date that is 5 Business Days after the last condition precedent to be satisfied or waived (as applicable) is satisfied or waived (as applicable).

The consideration is subject to post-Completion net debt and working capital adjustments that are typical for a transaction of the nature of the Transaction.

(b) Conditions precedent

Completion under the Share Purchase Agreement is conditional upon:

- (i) **(Listing Rule 11.2):** Shareholders approving the Transaction under, and for the purposes of, Listing Rule 11.2 (approving the disposal of Cardno's main undertaking, being the International Development Business); and
- (ii) **(Information technology systems):** Cardno having established its information technology systems on a Standalone Basis.

These conditions precedent must be satisfied or waived (as applicable) for the proposed Transaction to proceed.

The Listing Rule 11.2 Shareholder approval condition precedent is not capable of being waived by Cardno or DT Global. The information technology systems condition precedent is capable of being waived by DT Global.

(c) Conduct of business prior to Completion

The International Development Business is to be conducted in the ordinary course pending Completion, subject to customary restrictions.

(d) Warranties and indemnities

Cardno provides customary warranties under the Share Purchase Agreement relating to the Sale Entities and the International Development Business, subject to customary liability and claims qualifications, acknowledgements and limitations, including in respect of minimum claim amounts, claim time limitations, maximum claim cap, no consequential loss and third-party payment reimbursements. Cardno provides an indemnification for any tax liability of the International Development Business prior to Completion. Cardno's maximum aggregate liability in connection with these customary warranties and indemnities is discussed in paragraph (e) below.

(e) Escrow and warranty and indemnity insurance

Under the Share Purchase Agreement, on Completion, DT Global will be directed to pay an escrow amount of A\$5 million (**Escrow Amount**) from the initial purchase price (being the A\$56.5 million cash consideration described above) into an escrow account, to be held by the escrow agent for a period of 2 months from Completion of the Transaction. Any amount due to DT Global in respect of a breach of the Share Purchase Agreement by Cardno must be paid to DT Global out of the escrow account to the extent of the Escrow Amount. The Escrow Amount (if any) must be released to Cardno at the release date (being 2 months from Completion).

The maximum liability under or in connection with the Share Purchase Agreement (or in respect of claims for a breach of a warranty or indemnity provided by Cardno) is limited to an amount equal to the Escrow Amount, except in circumstances of fraud or failure to deliver title to the shares in the Sale Entities (in circumstances of a breach of a warranty or indemnity). The time limit on any claim for a breach of a warranty or indemnity provided by Cardno is 2 months after Completion.

The escrow arrangement described above will only apply if DT Global has not procured a buy-side warranty and indemnity insurance policy by Completion of the Transaction. In the event DT Global obtains a buy-side warranty and indemnity insurance policy by Completion, DT Global's recourse in respect of a breach of the warranties and tax indemnity under the Share Purchase Agreement will be limited to its recourse under the warranty and indemnity insurance policy, with limited, customary exceptions.

(f) Termination

Either the Company or DT Global may terminate the Share Purchase Agreement at any time before Completion, if:

- (i) Shareholders do not approve the disposal of the Company's main undertaking under Listing Rule 11.2;
- (ii) Cardno receives a Competing Proposal which is a Superior Proposal (to the Transaction) and DT Global has not exercised its right to match that Superior Proposal (discussed below) (or the Board determines that the revised offer received by DT Global after exercising its matching right is not superior to the Superior Proposal) and a majority of the Board:
 - publicly withdraws, adversely changes, adversely modifies, or adversely qualifies its recommendation statement in favour of the Transaction; or
 - makes any public statement:
 - i. supporting, endorsing or recommending a Competing Proposal;
 - ii. to the effect that they no longer support the Transaction; or
 - iii. otherwise indicating that they (x) no longer recommend the Transaction or (y) recommend that Shareholders accept or vote in favour of a Competing Proposal that is announced;

- (iii) Cardno or any of its subsidiaries enters into a definitive agreement in relation to the implementation of a Competing Proposal (other than a confidentiality agreement or like agreement); or
- (iv) the Listing Rule 11.2 Shareholder approval condition becomes incapable of satisfaction, or if all conditions precedent are not satisfied, by 30 September 2022 or such other date as agreed by Cardno and DT Global.

DT Global may also terminate the Share Purchase Agreement at any time before Completion if:

- (i) Cardno does not comply with its obligation to despatch this Notice of Meeting and Explanatory Memorandum and convene and hold the Meeting by 31 May 2022; or
- (ii) the information technology systems condition precedent described above has become incapable of satisfaction.

(g) Deal protection mechanisms

Cardno has agreed to customary no shop, no talk and no due diligence restrictions, subject to certain exceptions. Under these restrictions, Cardno must not, and must ensure that none of its Related Bodies Corporate, directly or indirectly:

- (i) solicit, invite, encourage, continue or initiate any Competing Proposal or any enquiries, negotiations or discussions with any third party in relation to, or that may reasonably be expected to lead to, an actual, proposed or potential Competing Proposal or which may otherwise lead to the Transaction not being completed;
- (ii) solicit, invite, encourage or initiate approaches, enquiries, discussions or proposals with a view to obtaining any offer, proposal or expression of interest from any person in relation to, or which may reasonably be expected to lead to, an actual, proposed or potential competing transaction;
- (iii) subject to the fiduciary carve-out described below, negotiate or enter into or participate in or continue any negotiations or discussions with any person (or communicate any intention to do any of those things), in relation to, or that may reasonably be expected to lead to, an actual or potential Competing Proposal or any agreement, understanding or arrangement that may be reasonably expected to encourage or lead to a Competing Proposal or which may otherwise lead to the Transaction not being completed unless:
 - the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Cardno or any of its Related Bodies Corporate; or
 - that person has publicly announced the Competing Proposal;
- (iv) subject to the fiduciary carve-out described below, solicit, invite, initiate, or encourage, or facilitate or permit, any person (other than DT Global) to undertake due diligence investigations in respect of Cardno, its Related Bodies Corporate, or any of their businesses and operations, in connection with or with a view to obtaining or which would reasonably be expected to lead to such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or
- (v) subject to the fiduciary carve-out described below, make available to any person (other than DT Global) or permit any such person to receive any non-public information relating to Cardno, its Related Bodies Corporate, or any of their businesses and operations, in connection with or with a view to obtaining or which would reasonably be expected to lead to such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

The no talk and no due diligence restrictions described above do not apply to the extent that they restrict Cardno or the Board from taking or refusing to take any action with respect to a genuine Competing Proposal provided that:

- (i) the Competing Proposal is bona fide and is made by or on behalf of a person that the Board considers is of sufficient commercial standing; and
- (ii) the Board, acting in good faith, determines:
 - where there is a written Competing Proposal, after consultation with its financial advisors, that the Competing Proposal is a Superior Proposal or the steps which

- the Board proposes to take may reasonably be expected to lead to a Competing Proposal which is a Superior Proposal; and
- after receiving written legal advice from Cardno's external legal advisers experienced in transactions of the nature of the Transaction, that failing to respond to the Competing Proposal may constitute a breach of its fiduciary or statutory duties.

(h) Matching rights

Cardno has granted DT Global a right to match any Competing Proposal before Cardno enters into any agreement relating to the implementation of that Competing Proposal.

(i) Break fees

Cardno has agreed to pay a break fee of 1% of the initial purchase price (being A\$565,000) (exclusive of GST) if all of the following occur:

- (i) a Competing Proposal is completed within 6 months of the date of the Share Purchase Agreement;
- (ii) DT Global is not in default of any provision of the Share Purchase Agreement; and
- (iii) Cardno or DT Global terminates the Share Purchase Agreement.

1.6 EFFECT OF THE TRANSACTION ON THE COMPANY

(a) Effect on key financial line items

A pro forma statement showing the impact of the Transaction on certain balance sheet line items has been prepared based on the Company's 31 December 2021 financial position.

This pro forma statement is based on a range of assumptions (outlined below) and has been provided to assist Shareholders to understand the effect of the Transaction, specifically, relative to the Company's most recently disclosed half-year accounts. It does not assume that any Distribution is made to Shareholders.

This information should be read in the context of:

- (i) the International Development Business comprising Cardno's main undertaking (the disposal of which requires Shareholder approval under Listing Rule 11.2, which will be sought at the Meeting); and
- (ii) the Distribution, which Shareholders may receive following the Transaction (provided that Shareholders approve Resolution 1 and Resolution 2 (in each case, by the required majority)).

The pro forma statement below has been derived from the Interim Financial Report of the Company and its controlled entities for the half-year ended 31 December 2021, which was reviewed by the Company's external auditor.

Pro forma (A\$m)	Reported as at 31 December 2021	Change due to Transaction	Post Transaction, Pre-Distribution as at 31 December 2021
Total Assets	103.6	(20.2)	83.4
Total Liabilities	42.9	(31.2)	11.7
Total Equity Interests	60.7	11.0	71.7

The key assumptions that the Company has made in preparing this pro-forma statement include (but are not limited to):

- (i) full settlement of Seller Group net intercompany balances with entities that are not part of the Seller Group prior to Completion, as required under the Share Purchase Agreement; and
- (ii) receipt of sale proceeds from the Transaction of A\$56.5 million in cash.

In relation to financial performance, if the Transaction completes, Cardno will have disposed of its main undertaking. As a result, the annual revenue, annual expenditure and pre-tax profit of the Company will be reduced substantially. The Company's intentions for its remaining businesses, and the financial performance of the Company's continuing Latin American (Entrix) business in recent reporting periods, is summarised below.

(b) Effect on capital structure

Following Completion of the Transaction (if Completion occurs), Cardno intends to pay the Distribution, which is currently expected to be an amount of up to A\$1.45 per Share, to Shareholders. This Distribution is currently expected to be comprised of:

- (i) an unfranked dividend of up to A\$1.21 per Share (being the Special Dividend), or up to A\$47.3 million in aggregate; and
- (ii) the balance to be paid to Shareholders via the Capital Return the subject of Resolution 2.

This will result in a reduction of the share capital of the Company by the aggregate amount of the Capital Return, which is expected to be up to A\$9.4 million, which would leave equity of approximately A\$1.3 million immediately after the payment of the Distribution.

100% of the Special Dividend is currently expected to be declared as conduit foreign income. Unfranked dividends paid to non-residents are exempt from withholding tax to the extent that they are declared as conduit foreign income. Please refer to section 1.7 of the section of this Explanatory Memorandum which discusses Resolution 2 for further information.

As stated in section 1.3 of the section of this Explanatory Memorandum which discusses Resolution 2, the estimated amount of the Distribution is based on a number of assumptions regarding future events, trading conditions, business performance and successful implementation of the Transaction (and whether DT Global has procured a buy-side warranty and indemnity insurance policy by Completion of the Transaction, as discussed in section 1.5 of the section of this Explanatory Memorandum which discusses Resolution 1), all of which involve risks, uncertainties and other factors beyond Cardno's direct control. Accordingly, the estimate may differ from the final amount determined by the Board to be distributed to Shareholders (that is, the final amount of the Distribution).

It is therefore not currently possible to determine exact amount of the Distribution (and, accordingly the exact amounts of the Special Dividend and the Capital Return). The Company anticipates that it will be able to determine the exact amounts immediately prior to Completion of the Transaction and the Company will release an announcement to ASX once the amounts have been determined.

Otherwise, the Transaction will not impact the capital structure of the Company. For clarity, the Company will not issue any new securities as part of the Transaction.

(c) Details of changes to the Board and senior management

There are no changes to:

- (i) the composition or size of the Board; or
- (ii) the members of the Company's "key management personnel" (as defined in the Corporations Act) as at the date of this Notice,

proposed as part of, or in connection with, the Transaction.

As Completion of the Transaction would result in the disposal of the Company's main undertaking (and operating business as at the date of this Notice of Meeting), the Board will consider its options for the Company (including in respect of the senior management team of Cardno's remaining businesses) following Completion of the Transaction, as discussed in section 1.6(e) below.

(d) Tax impact

Although the final tax impact of the Transaction will depend on the specific circumstances existing at Completion, the Company does not expect to incur any material cash tax liability in respect of the Transaction.

A general summary of the Australian income tax considerations for certain Shareholders receiving the Distribution are described in section 1.7 of the section of this Explanatory Memorandum which discusses Resolution 2. Shareholders should seek independent professional tax advice in relation to their tax position based on their particular circumstances, including under the laws of the country where they are resident for tax purposes.

(e) Intentions if the Transaction proceeds

Following the sale of the Company's International Development Business, Cardno's remaining operations will be:

- (i) its South American operations (which are currently operated through Cardno's wholly-owned subsidiary, Ingenieria Sustentable (INSUS) S.A. (formerly Caminosca)), which will continue to be wound down; and
- (ii) its Latin American (Enrix) business, which provides social, environmental and engineering services to clients.

There is an expectation that further cash flow will be generated from Ingenieria Sustentable (INSUS) S.A. (formerly Caminosca) during wind down, however, the actual amount of that further cash flow remains uncertain.

As disclosed in the consolidated financial report of the Company for the year ended 30 June 2021 (as released to the ASX on 27 August 2021 as part of the annual report of the Company for the period ended 30 June 2021), the Enrix business generated approximately \$6.4 million in gross revenue in the financial year ended 30 June 2021. As disclosed in the Company's Interim Financial Report, the:

- (i) gross revenue of the Enrix business for the financial half-year ended 31 December 2021 was \$4.6 million; and
- (ii) underlying EBITDA of the Enrix business for the financial half-year ended 31 December 2021 was \$0.3 million.

Cardno will continue to operate these businesses while the Board considers the Company's medium to longer-term plans. The Board currently intends to update Shareholders on these matters at the time that the Company announces its results for the 2022 financial year in August 2022.

As discussed above, if the Transaction completes, Cardno intends to make the Distribution. Further information in respect of the Distribution is set out in the section of this Explanatory Memorandum which discusses Resolution 2.

Following Completion of the Transaction, Cardno currently expects to retain approximately A\$15 million of cash (approximately A\$0.38 per Share) after paying all transaction costs in respect of the Transaction and the Distribution to Shareholders.³ The remaining cash will be retained to fund ongoing cash flow requirements.

(f) Intentions if the Transaction does not proceed

If the Transaction is not approved by Shareholders or does not otherwise complete under the Share Purchase Agreement, the Company intends to continue to operate Cardno's International Development Business as part of the Cardno group. If this occurred, the Board would consider recommencing its strategic review in respect of the International Development Business or otherwise proceed with an alternative strategic divestment option, with the objective of maximising Shareholder value.

³ A\$5 million may be placed in escrow for two months following Completion of the Transaction if DT Global does not procure a buy-side warranty and indemnity insurance policy relating to the International Development Business prior to Completion of the Transaction. Any amount due to DT Global in respect of a breach of the Share Purchase Agreement by Cardno must be paid to DT Global out of the escrow account from the A\$5 million escrow amount. The escrow amount (if any) must be released to Cardno at the release date (being 2 months from Completion).

1.7 DIRECTORS' RECOMMENDATION

(a) Recommendation

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 1, in the absence of a Superior Proposal.

Each Director who holds or controls Shares⁴ intends to vote those Shares in favour of Resolution 1, in the absence of a Superior Proposal.

In making this recommendation, the Directors considered the advantages and disadvantages of the Transaction, including those discussed in this Explanatory Memorandum, and determined that, on balance, the Transaction is in the best interests of Shareholders. As discussed above, the entry by Cardno into the Share Purchase Agreement and the announcement of the Transaction was the result of an extensive global strategic review that was conducted by Cardno and its financial adviser, Greenhill & Co, with the objective of maximising the value of the remaining operations of the Company for Shareholders after the sale of Cardno's Americas and Asia-Pacific consulting businesses to wholly-owned subsidiaries of Stantec Inc. in December 2021. In reaching its conclusion that the Transaction is in the best interests of Shareholders and determining that Cardno should enter into the Share Purchase Agreement, the Board considered the outcome of the strategic review (including the proposals received from third parties other than DT Global as part of the strategic review) and alternative options for the International Development Business to deliver value to Shareholders, including continuing to deliver on growth opportunities. Following consideration of these matters, the Board unanimously concluded that:

- (i) the Transaction is the most attractive option for Shareholders and the Board considers that the Transaction Consideration recognises the current and inherent value of the International Development Business; and
- (ii) having regard to all relevant factors, on balance, the Board considers that the certainty from the all-cash Transaction consideration and the value inherent in the Transaction, together with the Distribution, will deliver greater benefits to Shareholders than any other alternatives currently available for the International Development Business under the status quo, including continuing to operate as part of Cardno.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1, in the absence of a Superior Proposal.

The Chairman of the Meeting intends to vote all available (including undirected) proxies in favour of Resolution 1, in the absence of a Superior Proposal.

(b) Directors' interests

No Director has a material interest in the outcome of Resolution 1, other than as a result of his interest arising solely in his capacity as a Shareholder or as otherwise disclosed in this Explanatory Memorandum (including below).

As at the date of this Notice, Mr Jeffrey Forbes is the only Director who holds or controls Shares. Mr Jeffrey Forbes holds or controls 14,862 Shares⁵ (representing 0.04% of the Shares on issue). Mr Michael Alscher and Mr Nathaniel Thomson do not personally hold or control any Shares.

As previously disclosed to Shareholders, Mr Michael Alscher, Non-executive Director and Chairman of the Board, and Mr Nathaniel Thomson, Non-executive Director, are nominee directors of Crescent Capital Partners. Crescent Capital Partners (which, as at the date of this Notice of Meeting holds 21,794,638 Shares (representing 55.8% of the Shares on issue)) has notified the Board in writing that it intends to vote all Shares held by it in favour of the Transaction, in the absence of a superior proposal. Mr Alscher is the Managing Partner, and Mr Thomson is a Partner, of Crescent Capital Partners Holdings, which, through its wholly-owned subsidiary, Crescent Capital Partners Management, manages the fund that owns Crescent Capital Partners. As part of its fund management arrangements, Crescent Capital Partners Management and its affiliates may be entitled to receive performance fees based on

⁴ As at the date of this Notice, Mr Jeffrey Forbes is the only Director who holds or controls Shares. Mr Jeffrey Forbes holds or controls 14,862 Shares (representing 0.04% of the Shares on issue). Mr Michael Alscher and Mr Nathaniel Thomson do not personally hold or control any Shares.

⁵ Held by Raintree Terraces Pty Ltd as trustee for the Forbes Superannuation Fund.

the overall performance of that fund. If those performance fees become payable, each of Mr Alscher and Mr Thomson may indirectly share in those fees.

1.8 OTHER MATERIAL INFORMATION

Other than as set out in this Notice of Meeting (including in this Explanatory Memorandum), and information previously disclosed to Shareholders by the Company, there is no information known to the Directors as at the date of this Notice of Meeting which could reasonably be expected to be material to the making of a decision by a Shareholder whether or not to vote in favour of Resolution 1.

RESOLUTION 2 – RETURN OF CAPITAL TO SHAREHOLDERS

1.1 PROPOSED RETURN OF CAPITAL

(a) Background

In the opinion of the Board, if Completion of the Transaction occurs, the Company will have capital in excess of what is required for the Company's ongoing operations for the foreseeable future.

For that reason, the Company intends to distribute approximately A\$56.6 million to Shareholders by way of a combination of a Special Dividend and a Capital Return (collectively, the Distribution).

The Capital Return will be effected as an "equal reduction" (for the purpose of section 256B(2) of the Corporations Act) in accordance with sections 256B and 256C of the Corporations Act. These sections of the Corporations Act require the Company to obtain the approval of Shareholders by ordinary resolution for an equal reduction in its share capital – Shareholder approval for the Capital Return (in the form of Resolution 2) is being sought at the Meeting. Payment of the Special Dividend does not require Shareholder approval.

Subject to:

- (i) Resolution 1 and Resolution 2 being passed;
- (ii) Completion occurring in accordance with the Share Purchase Agreement; and
- (iii) the exercise of the Board's discretion as to the final amount of the Distribution (including the final amount of each of the Special Dividend and the Capital Return), as described below,

the Board estimates that the total amount of the Distribution will be approximately A\$56.6 million, of which up to A\$47.3 million is expected to be distributed in the form of the Special Dividend, and the balance will be distributed in the form of the Capital Return.

However, the exact amount of the Distribution (including the exact amount of each of the Special Dividend and the Capital Return) will be determined by the Board after the Meeting, having regard to (without limitation):

- (i) the amount of cash available to be distributed to Shareholders after Completion of the Transaction;
- (ii) the economic and operating conditions at the time;
- (iii) the financial circumstances of the Company following Completion of the Transaction; and
- (iv) the timing of Completion of the Transaction.

In addition, as stated in section 1.3 of the section of this Explanatory Memorandum which discusses Resolution 2, the estimated amount of the Distribution is based on a number of assumptions regarding future events, trading conditions, business performance and successful implementation of the Transaction (and whether DT Global has procured a buy-side warranty and indemnity insurance policy by Completion of the Transaction, as discussed in section 1.5 of the section of this Explanatory Memorandum which discusses Resolution 1), all of which involve risks, uncertainties and other factors beyond Cardno's direct control. Accordingly, the estimate may differ from the final amount determined by the Board to be distributed to Shareholders (that is, the final amount of the Distribution).

It is therefore not currently possible to determine exact amount of the Distribution (and, accordingly the exact amounts of the Special Dividend and the Capital Return). The Company anticipates that it will be able to determine the exact amounts immediately prior to Completion of the Transaction and the Company will release an announcement to ASX once the amounts have been determined.

If the Distribution proceeds, all components of the Distribution are currently expected to be made to all Shareholders pro rata to the number of Shares which they hold as at 7:00pm (AEST) on Thursday, 30 June 2022 (the **Record Date**). However, the Record Date is subject to change (including, but not limited to, as a result of a change to the date on which Completion is expected to occur).

The Distribution is conditional on Resolution 1 being approved, and Completion of the Transaction. If Resolution 1 is approved and the Transaction is completed but Resolution 2 is not approved, the Board reserves the right to deal with the cash consideration from the Transaction (being cash consideration of A\$56.5 million) as it considers appropriate.

The proposed cash distribution to Shareholders is consistent with the Board's strategy to reduce excess capital, while maintaining sufficient cash to support the Company's remaining ongoing operations.

(b) Payment details

If the Distribution proceeds, each Shareholder as at the Record Date will be paid their pro rata entitlement to the aggregate amount of each of the Special Dividend and the Capital Return for each Share held as at the Record Date (together, a Shareholder's **Distribution Entitlement**), as set out below. Any fraction of a cent payable to any Shareholder in respect of that Shareholder's aggregate holding of Shares will be rounded up to the nearest whole cent.

The Distribution will be paid by Cardno (at its discretion) by:

- (i) if a Shareholder has, before 7:00pm (AEST) on the Business Day after the Record Date (which is currently expected to be Friday, 1 July 2022) (**Dividend Payment Election Time**), made a valid election in accordance with the requirements of the Share Registry to receive dividend payments from Cardno by electronic funds transfer to a bank account nominated by the Shareholder (**Dividend Election**), paying the relevant amount in:
 - Australian currency; or
 - if, in connection with a Dividend Election made before the Dividend Payment Election Time, a Shareholder validly elected (in accordance with the requirements of the Share Registry) to receive dividend payments from Cardno in United States dollars (USD), New Zealand dollars (NZD) or pound sterling (GBP) (each, an **Elected Foreign Currency**), that Elected Foreign Currency,by electronic means in accordance with that election;
- (ii) if a Shareholder has otherwise nominated a bank account for the purpose of receiving the Distribution by an appropriate authority from the Shareholder to Cardno (through the Share Registry), paying the relevant amount in Australian currency (or, if applicable, that Shareholder's Elected Foreign Currency) by electronic means to that bank account; or
- (iii) otherwise, sending a cheque for an amount equal to a Shareholder's Distribution Entitlement in Australian dollars (or, if applicable, that Shareholder's Elected Foreign Currency) to that Shareholder's address shown in the Share Register as at the Dividend Payment Election Time.

If you have not previously notified the Share Registry of your nominated bank account or you would like to change your existing nominated bank account, or you would like to make or change an election in respect of an Elected Foreign Currency, you should do so online at <https://www.computershare.com.au/easyupdate/CDD> before the Record Date.

If Cardno pays a Shareholder's Distribution Entitlement to that Shareholder in an Elected Foreign Currency, that Shareholder's Distribution Entitlement will be converted from Australian currency to the relevant Elected Foreign Currency at an exchange rate determined by Cardno in its absolute discretion. Cardno will release an announcement to ASX once the foreign currency exchange rates applicable to the Distribution are determined.

1.2 REASONS FOR THE DISTRIBUTION

(a) Rationale

The purpose of the Distribution is to return to Shareholders the maximum proportion of the proceeds from the Transaction, subject to the ongoing requirements of the Company and the other matters described in section 1.3 below.

(b) Advantages and disadvantages

The primary advantage of Shareholders approving the proposed Capital Return by approving Resolution 2 at the Meeting is that it will enable the Company to return capital which is in excess of its current requirements to its Shareholders. Also, Shareholders participating in the proposed Capital Return will be able to do so without incurring brokerage or transaction costs.

A disadvantage of the proposed Capital Return is that, following its implementation, the Company will have a reduced capital base from which to operate. However, the Directors are of the opinion that the capital base immediately following Completion of the Transaction will be in excess of the Company's requirements. Also, the net cash reserves post-Distribution (following payment of transaction costs) of approximately A\$15 million are expected to be sufficient to support the operations of the Cardno group's remaining operations.

1.3 CALCULATION OF THE AMOUNT OF THE DISTRIBUTION

The Company estimates that the total amount available for the Distribution will be approximately A\$56.6 million, of which it is estimated that up to A\$47.3 million will be distributed in the form of the Special Dividend, and the balance will be distributed in the form of the Capital Return (subject to Shareholders approving Resolution 1 and Resolution 2 at the Meeting, in each case by the required majority).

Subject to no other Shares being issued prior to the Record Date (which the Company does not currently expect to do), the Company estimates that the Distribution will be comprised of an unfranked dividend (being the Special Dividend) of up to A\$1.21 per Share and a return of capital (being the Capital Return) of up to A\$0.24 per Share.⁶ 100% of the Special Dividend is currently expected to be declared as conduit foreign income. Unfranked dividends paid to non-residents are exempt from withholding tax to the extent that they are declared as conduit foreign income. Please refer to section 1.7 of the section of this Explanatory Memorandum which discusses Resolution 2 for further information.

The following table shows how the Company has calculated its estimate of the total amount of the Distribution (including the estimated total amount of the Special Dividend and the estimated total amount of the Capital Return).

⁶ Per share amount calculated on 39,060,663 Shares.

Component	A\$'000
Cash balance as reported at 31 December 2021	37,057
Less:	
International Development Business cash balance as reported at 31 December 2021	(18,000)
Cash balance at 31 December 2021 immediately available to Shareholders	19,057
Less:	
Warranty and indemnity insurance escrow ⁷	(5,000)
Funds retained for continuing business working capital	(10,000)
Sub-total: Cash retained by Cardno	(15,000)
Gross proceeds in relation to sale of International Development Business ⁸	56,500
Estimated Transaction costs	(4,000)
Estimated total Distribution	56,557
Relevant number of Shares to participate in the Distribution	39,061
Estimated total Distribution per Share	\$1.45
Estimated Special Dividend per Share	\$1.21
Estimated Capital Return per Share	\$0.24

The estimated amount of the Distribution is based on a number of assumptions regarding future events, trading conditions, business performance and successful implementation of the Transaction (and whether DT Global has procured a buy-side warranty and indemnity insurance policy by Completion of the Transaction, as discussed in section 1.5 of the section of this Explanatory Memorandum which discusses Resolution 1), all of which involve risks, uncertainties and other factors beyond Cardno's direct control. Accordingly, the estimate may differ from the final amount determined by the Board to be distributed to Shareholders (that is, the final amount of the Distribution).

It is therefore not currently possible to determine the exact amount of the Distribution (and, accordingly the exact amounts of the Special Dividend and the Capital Return). The Company anticipates that it will be able to determine the exact amounts immediately prior to Completion of the Transaction and the Company will release an announcement to ASX once the amounts have been determined.

1.4 LEGAL REQUIREMENTS

(a) Equal reduction

The proposed Capital Return constitutes an equal reduction of Cardno's share capital for the purposes of the Corporations Act. This is because it relates only to ordinary shares, it applies to each holder of ordinary shares in proportion to the number of shares they hold, and the terms of the reduction are the same for each holder of ordinary shares.

(b) Statutory requirements for the Capital Return

Under section 256B(1) of the Corporations Act, the Company may conduct an equal reduction of its share capital if the three requirements described below are satisfied. These requirements apply to the component of the Distribution comprised of the Capital Return but not to the component of the Distribution comprised of the Special Dividend.

Fair and reasonable

Section 256B(1)(a) of the Corporations Act provides that a capital reduction must be fair and reasonable to a company's shareholders as a whole.

⁷ This \$5 million escrow amount will only be held in escrow if DT Global does not procure a buy-side warranty and indemnity insurance policy relating to the International Development Business prior to Completion of the Transaction (see section 1.5 of the section of this Explanatory Memorandum which discusses Resolution 1 for more information).

⁸ The total cash consideration of A\$56.5 million received as part of the Transaction is subject to post-Completion net debt and working capital adjustments.

The Directors are of the opinion that the proposed capital reduction is fair and reasonable to all Shareholders as it will apply to all Shareholders on the Record Date equally, in proportion to the number of Shares they hold as at that date.

Company's ability to pay creditors

Section 256B(1)(b) of the Corporations Act provides that a capital reduction must not materially prejudice a company's ability to pay its creditors.

The Directors, having proposed the Capital Return, are of the opinion that it will not materially prejudice the Company's ability to pay its creditors. The Directors have also satisfied themselves as to the solvency of the Company following the proposed Capital Return.

Please refer to section 1.5(c) of the section of this Explanatory Memorandum which discusses Resolution 2 for further information regarding the impact of the proposed Capital Return on Cardno's ability to pay its creditors.

Shareholder approval

Resolution 2 will be passed as an ordinary resolution for the purposes of section 256C(1) of the Corporations Act if more than 50% of the votes cast on that resolution by Shareholders present and eligible to vote at the Meeting (whether in person (virtually), by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) are in favour of it.

Crescent Capital Partners (which, as at the date of this Notice of Meeting, holds 21,794,638 Shares (representing 55.8% of the Shares on issue)) has notified the Board in writing that it intends to vote all Shares held by it in favour of Resolution 2. Crescent Capital Partners has consented to the inclusion of this statement in this Notice of Meeting.

1.5 EFFECT ON THE COMPANY

(a) Effect on capital structure and share price

The Company has 39,060,663 fully paid ordinary shares on issue as at the date of this Notice of Meeting and paid-up share capital of A\$10.7 million.

Following implementation of the Capital Return, the Company's share capital is estimated to reduce by up to \$A9.4 million. Refer to section 1.3 of the section of this Explanatory Memorandum which discusses Resolution 2 for an overview of the assumptions that the Company has made in its calculation of the estimated amount of the Capital Return.

No Shares will be cancelled in connection with the Capital Return and no fractional entitlements will arise as a result of the Capital Return. As at the date of this Notice of Meeting, all Shares on issue in the Company are fully paid, and the Company does not have on issue any equity securities other than Shares – therefore the Capital Return will not have any effect on amounts unpaid on Shares on issue.

The proposed Capital Return will therefore not impact the number of Shares held by each of the Shareholders, nor will it impact any Shareholder's voting power in the Company.

Following implementation of the Distribution, the Company's Shares are expected to trade at a lower share price than its then trading price immediately prior to the 'ex' date for the Distribution. This is due to the payment/return of funds to Shareholders.

(b) Effect on historical and pro-forma financial position

Set out below is the pro forma consolidated statement of financial position of the Company and its controlled entities for the half year ended 31 December 2021, assuming that the Transaction has Completed, and the Distribution was paid on that date. The pro forma statement of financial position has been derived from the Interim Financial Report of the Company and its controlled entities for the half-year ended 31 December 2021, which was reviewed by the Company's external auditor.

The pro forma statement of financial position is presented in abbreviated form and does not contain all the disclosures that are usually provided in a financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

Pro forma (A\$m)	Reported as at 31 December 2021	Change due to Transaction	Post Transaction, Pre- Distribution as at 31 December 2021	Change due to Distribution	Post Distribution as at 31 December 2021
Total Assets	103.6	(20.2)	83.4	(56.6)	26.8
Total Liabilities	42.9	(31.2)	11.7	-	11.7
Total Equity Interests	60.7	11.0	71.7	(56.6)	15.1

(c) Effect on the Company's ability to pay its creditors

The Company has assessed the impact of the Distribution on the Company's ability to pay its creditors, including current and reasonably foreseeable future claimants.

That review concluded that the payment to Shareholders of an amount equal to the Distribution amount would not materially prejudice the Company's ability to pay its creditors and the Company will have sufficient cash reserves to pay its creditors (including current and reasonably foreseeable claimants) following payment of the Distribution.

(d) Tax implications for the Company

No adverse tax consequences are expected to arise for the Company from implementing the proposed Capital Return.

1.6 DIRECTORS' INTERESTS

No Director has a material interest in the outcome of Resolution 2, other than as a result of his interest arising solely in his capacity as a Shareholder or as otherwise disclosed in this Explanatory Memorandum.

Refer to section 1.6(b) of the section of this Explanatory Memorandum which discusses Resolution 1 for information about the Shares held or controlled by the Directors and an overview of certain interests of the nominee directors of Crescent Capital Partners, which are also relevant to Resolution 2.

1.7 AUSTRALIAN TAX IMPLICATIONS FOR SHAREHOLDERS

The commentary below is general in nature and not intended to be comprehensive. It is based upon the Company's interpretation of Australian income tax law currently in force at the date of this Notice of Meeting.

It only addresses Australian income tax considerations and is only relevant to the taxation position of Shareholders who hold their Shares on capital account. It does not apply to Shareholders who hold their Shares on revenue account or as trading stock.

The taxation implications for Shareholders will depend on their particular circumstances. Shareholders should seek independent professional tax advice in relation to their tax position based on their particular circumstances, including under the laws of the country where they are resident for tax purposes.

This summary does not constitute financial product advice as defined in the Corporations Act and is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments.

This section should be read in conjunction with the entire Notice of Meeting and Explanatory Memorandum.

Capital Return

The Company is applying to the ATO for a class ruling to confirm the Australian tax consequences of the Capital Return for Shareholders who hold their Shares on capital account for Australian tax purposes. The class ruling will not be issued by the ATO until after payment of the Distribution. Only once the ATO has issued its class ruling, can the final nature (dividend or capital return) of the Distribution be known, for tax purposes, with any certainty. Cardno will make the final class ruling available on its website as soon as it is issued.

For Shareholders who are resident of Australia for Australian tax purposes and who hold their Shares on capital account for Australian tax purposes, if the class ruling is issued in accordance with the Company's application then:

- no part of the Capital Return should be treated as a dividend for income tax purposes;
- the cost base of each Share will be reduced by the amount of the Capital Return for the purpose of calculating any capital gain or loss on the ultimate disposal of the Share; and
- an immediate capital gain will arise for Shareholders to the extent that the cost base of the Share is less than the amount of the Capital Return. A CGT discount may be applied against the capital gain (after reduction of total capital gains by capital losses) where the Shareholder is an individual, complying superannuation entity or trustee, the Shares have been held for at least 12 months and certain other requirements have been met.

For Shareholders who are not resident for Australian tax purposes and who hold their Shares on capital account for Australian tax purposes, if the class ruling is issued in accordance with the Company's application, then no assessable Australian capital gain or loss should arise as a consequence of the Capital Return. Non-resident shareholders should seek advice in relation to the specific tax consequences arising from the Capital Return under the laws of their country of residence.

In issuing the class ruling, there is the potential that the ATO may determine a tax treatment for the Capital Return that is not in accordance with the Company's application. In particular, the ATO could make a determination to apply dividend integrity measures deeming all or part of the Capital Return to be an unfranked dividend in the hands of Shareholders. In this situation, the following tax consequences could arise to Shareholders:

- for Shareholders who are resident of Australia for Australian tax purposes, the deemed unfranked dividend should be included in assessable income; and
- for Shareholders who are not resident for Australian tax purposes, the deemed unfranked dividend should be subject to dividend withholding of up to 30%.

Special Dividend

The Special Dividend will be unfranked, with 100% currently expected to be declared as conduit foreign income.

For Shareholders who are Australian tax residents, the Special Dividend should be included in their assessable income.

For Shareholders who are not Australian tax residents, Australian dividend withholding tax will be deducted from the unfranked dividends to the extent that the dividend is not declared to be conduit foreign income. The rate of withholding tax is ordinarily 30% but this may be reduced to the extent the shareholder is a tax resident of a jurisdiction that has a double tax agreement with Australia.

1.8 DIRECTORS' RECOMMENDATION

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 2.

Each Director who holds or controls Shares⁹ intends to vote those Shares in favour of Resolution 2.

The Chairman of the Meeting also intends to vote all available (including undirected) proxies in favour of Resolution 2.

⁹ As at the date of this Notice, Mr Jeffrey Forbes is the only Director who holds or controls Shares. Mr Jeffrey Forbes holds or controls 14,862 Shares (representing 0.04% of the Shares on issue). Mr Michael Alscher and Mr Nathaniel Thomson do not personally hold or control any Shares.

1.9 OTHER MATERIAL INFORMATION

Other than as set out in this Notice of Meeting (including in this Explanatory Memorandum), and information previously disclosed to Shareholders by the Company, there is no information known to the Directors as at the date of this Notice of Meeting which could reasonably be expected to be material to the making of a decision by a Shareholder whether or not to vote in favour of Resolution 2.

Glossary

Cardno Limited ABN 70 108 112 303

AEST	means Australian Eastern Standard Time.
Associate	has the meaning given in the Listing Rules.
ASX	means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it.
ATO	means the Australian Taxation Office.
Board	means the board of Directors of the Company.
Business Day	means a day on which banks are open for business excluding Saturdays, Sundays or public holidays in Sydney, Australia.
Capital Return	means the equal reduction of capital and return to Shareholders of the Company's share capital the subject of Resolution 2 and in the form described in the Explanatory Memorandum.
CGT	means capital gains tax.
Chairman	means the person appointed to chair the Meeting. The Company intends to appoint Mr Michael Alscher, the Company's current non-executive chairman, to act as chairman at this Meeting.
Company or Cardno	means Cardno Limited (ABN 70 108 112 303).
Competing Bidder	means a person other than DT Global or a Related Body Corporate of DT Global and their respective "associates" (as defined in section 12 of the Corporations Act).
Competing Proposal	<p>means any proposal, agreement, arrangement or transaction, which, if entered into or completed, would result in a Competing Bidder:</p> <ul style="list-style-type: none">(a) directly or indirectly acquiring or having the right to acquire:<ul style="list-style-type: none">(i) a "relevant interest" (as defined in the Corporations Act) in;(ii) a legal, beneficial or economic interest in; or(iii) control of, 20% or more of the Shares;(b) acquiring Control of Cardno;(c) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire a legal, beneficial or economic interest in, or control of, all or a substantial part of:<ul style="list-style-type: none">(i) the International Development Business; or(ii) the business and assets of Cardno or Cardno and each of its "subsidiaries" (as defined in section 46 of the Corporations Act);(d) directly or indirectly being stapled with, or merging with, Cardno; or(e) requiring Cardno to abandon, or otherwise fail to proceed with, the Transaction.
Completion	means completion of the purchase and sale of all of the shares in the Sale Entities pursuant to the Share Purchase Agreement.

Constitution	means the constitution of the Company, as amended from time to time.
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Crescent Capital Partners	means together, the following entities: <ul style="list-style-type: none"> (a) CCP Trusco 4 Pty Ltd as trustee for Crescent Capital Partners Designated Trust VA (which, as at the date of this Notice, holds 3,138,397 Shares, representing 8.03% of the Shares on issue); (b) CCP Trusco 5 Pty Ltd as trustee for Crescent Capital Partners Designated Trust VB (which, as at the date of this Notice, holds 3,520,469 Shares, representing 9.01% of the Shares on issue); (c) CCP Trusco 1 Pty Ltd as trustee for Crescent Capital Partners Specific Trust VA (which, as at the date of this Notice, holds 1,717,632 Shares, representing 4.4% of the Shares on issue); (d) CCP Trusco 2 Pty Ltd as trustee for Crescent Capital Partners Specific Trust VB (which, as at the date of this Notice, holds 752,648 Shares, representing 1.93% of the Shares on issue); (e) CCP Trusco 3 Pty Ltd as trustee for Crescent V Co-Investor Trust 1 (which, as at the date of this Notice, holds 4,310,347 Shares, representing 11.03% of the Shares on issue); and (f) CCP Trusco 3 Pty Ltd as trustee for Crescent V Co-Investor Trust 2 (which, as at the date of this Notice, holds 8,355,145 Shares, representing 21.4% of the Shares on issue).
Crescent Capital Partners Holdings	means Crescent Capital Partners Holdings Pty Ltd (ACN 124 231 483).
Crescent Capital Partners Management	Crescent Capital Partners Management Pty Limited (ACN 108 571 820).
Directors	means the directors of the Company.
Distribution	means together, the Capital Return and the Special Dividend.
DT Global	means DT Global Australia Pty Ltd (ACN 633 607 468).
Explanatory Memorandum	means the explanatory statement accompanying the resolutions contained in this Notice of Meeting.
General Meeting or Meeting	means the general meeting of the Company convened by this Notice of Meeting.
Glossary	means this glossary.
Half-Year Report	means the half-year report of the Company for the period ended 31 December 2021.
Interim Financial Report	means the consolidated interim financial report of the Company set out in the Half-Year Report of the Company for the half-year ended 31 December 2021.
International Development Business	means the international and social development business operated by the Sale Entities as at the date of this Notice (in respect of the jurisdictions in which the Sale Entities and their subsidiaries operate as at the date of this Notice).

Listing Rules	means the listing rules of the ASX.
Notice of Meeting or Notice	means this notice of general meeting and includes the Explanatory Memorandum.
Online Meeting Guide	means the online meeting guide at Annexure A to this Notice of Meeting.
Proxy Form	means the proxy form at Annexure B to this Notice of Meeting.
Record Date	means the record date for determining entitlements to participate in the Capital Return and to be paid the Special Dividend, which is currently expected to be Thursday, 30 June 2022.
Related Body Corporate	has the meaning given in the Corporations Act.
Sale Entities	means all of the following entities: (a) Cardno Emerging Markets (Australia) Pty Ltd (ACN 006 170 869); (b) Cardno UK Limited (CN 05543952); and (c) Cardno Emerging Markets USA Ltd. (FEIN: 52-1788060).
Seller Group	means the Sale Entities and each of their respective “subsidiaries” (as defined in section 46 of the Corporations Act).
Share	means a fully paid ordinary share in the capital of the Company.
Share Purchase Agreement	means the share purchase agreement between the Company and DT Global dated 25 March 2022 relating to the sale of the Company’s International Development Business.
Shareholder	means a holder of at least one Share.
Share Registry	means Computershare Investor Services Pty Limited (ACN 078 279 277) in its capacity as the operator of Cardno’s share register.
Special Dividend	means the unfranked special dividend in the form described in the Explanatory Memorandum.
Standalone Basis	means the Sale Entities and each of their respective subsidiaries have the capacity to operate payroll, accounting, communication and data storage functions independently to a level reasonably required by the International Development Business and at a reasonable cost.

Superior Proposal

means a bona fide Competing Proposal which the Board, acting in good faith, determines would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction that is more favourable to Shareholders as a whole than the Transaction, taking into account all of the terms, conditions and other aspects of:

- (a) the Competing Proposal, including (but not limited to):
 - (i) the identity of the party making the Competing Proposal and the ability of that party to complete the transactions contemplated by the Competing Proposal;
 - (ii) consideration (including value and type), conditionality, funding, certainty and timing;
 - (iii) the probability of the Competing Proposal being completed compared to the Transaction;
 - (iv) the views of Shareholders in relation to the Competing Proposal compared to the Transaction; and
 - (v) any other relevant legal, financial, regulatory and other matters; and
- (b) the Transaction (including the matters described in paragraph (a) above in respect of the Transaction).

Transaction

means the proposed transaction involving the sale of the Company's International Development Business in accordance with the terms of the Share Purchase Agreement.

Annexure A – Online Meeting Guide

ONLINE MEETING GUIDE

GETTING STARTED

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time. To participate online visit <https://meetnow.global/au> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

TO LOG IN, YOU MUST HAVE THE FOLLOWING INFORMATION:

Australian Residents

SRN or HIN and postcode of your registered address.

Overseas Residents

SRN or HIN and country of your registered address.

Appointed Proxies

Please contact Computershare Investor Services on +61 3 9415 4024 to request your unique email invitation link prior to the meeting day.

PARTICIPATING AT THE MEETING

To participate in the online meeting, visit <https://meetnow.global/au>. Then enter the company name in the 'Filter' field. Select and click on the displayed meeting.

Search for meeting

Australia

Filter Please enter Company or Meeting Name. Enter 3 or more characters. e.g. Computershare

To register as a shareholder

Select 'Shareholder', enter your SRN or HIN and select your country. If Australia, also enter your post code.

Shareholder Invitation Guest

If you are a shareholder or an appointed corporate representative, please enter the required details below.

SRN/HIN eg. X1234567890

Country Australia

Post Code eg. 0123

SIGN IN

or To register as a proxyholder

To access the meeting click on the link in the invitation e-mail sent to you. Or select 'Invitation' and enter your invite code provided in the e-mail.

Shareholder Invitation Guest

If you are a received an email invitation for this meeting, please enter your invite code below.

Invite Code Enter your invite code. e.g. G-ABCDEFGF or ABCD

SIGN IN

or To register as a guest

Select 'Guest' and enter your details.

Shareholder Invitation Guest

If you would like to attend the meeting as a Guest please provide your details below.

First Name *

Last Name *

Email

Company Name

SIGN IN



Broadcast

The webcast will appear automatically once the meeting has started. If the webcast does not start automatically press the play button and ensure the audio on your computer or device is turned on.



Vote

When the Chair declares the poll open, select the 'Vote' icon and the voting options will appear on your screen.

To vote, select your voting direction. A tick will appear to confirm receipt of your vote.

To change your vote, select 'Click here to change your vote' and press a different option to override.



Q & A

To ask a question select the 'Q & A' icon, select the topic your question relates to. Type your question into the chat box at the bottom of the screen and press 'Send'.

To ask a verbal question, follow the instructions on the virtual meeting platform.



Documents

To view meeting documents select the 'Documents' icon and choose the document you wish to view.

FOR ASSISTANCE

If you require assistance before or during the meeting please call +61 3 9415 4024.

Annexure B – Proxy Form



Cardno Limited

ABN 70 108 112 303



CDD

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST) on Sunday, 22 May 2022.**

Proxy Form

How to Vote on Items of Business

All your shares in Cardno Limited (the Company or Cardno) will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of shares you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of shares for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of shares for each in Step 1 overleaf.

A proxy need not be a shareholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate shareholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your Proxy Form online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online Subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Cardno Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Cardno Limited to be held virtually via <https://meetnow.global/M245TUL> on Tuesday, 24 May 2022 at 10:00am (AEST) and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
RESOLUTION 1 DISPOSAL OF MAIN UNDERTAKING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 2 RETURN OF CAPITAL TO SHAREHOLDERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available (including undirected) proxies in favour of each item of business.

Step 3 Signature of Shareholders(s)

This section must be completed.

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

CDD

2 8 6 6 8 6 A



Computershare

