

## ASX Announcement



21 September 2020

### **Cardno Limited (ASX Code: CDD) - Notice of Annual General Meeting, Notice and Access Letter and Proxy Form**

Pursuant to ASX Listing Rule 3.17.1, please find attached a copy of the Notice of 2020 Annual General Meeting, accompanying Notice and Access Letter and Proxy Form.

The Annual General Meeting will be held by virtual means at 10:00am AEST (Brisbane time) on Thursday, 22 October 2020.

A printed copy of the 2020 Annual Report is also being mailed today to all shareholders who have elected to receive a printed copy.

Further information on how shareholders may participate in the meeting online, is contained in the Notice of Meeting.

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

- ENDS -

#### **For further information contact:**

##### **Authorised Officer and Investor enquiries:**

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**About Cardno:** Cardno is a global provider of integrated professional services which enrich the physical and social environment for the communities in which we live and work. Our team of multidisciplinary specialists around the world has over 75 years' experience in designing, developing and delivering sustainable projects and community advancement programs. Cardno is listed on the Australian Securities Exchange (ASX:CDD). [www.cardno.com](http://www.cardno.com).



**Cardno Limited**  
ABN 70 108 112 303

## Need assistance?



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



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

CDD

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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Brisbane time) Tuesday 20 October 2020**.

# Cardno Limited Annual General Meeting

Dear Shareholder,

2020 has been an extraordinary year for us all. The COVID-19 pandemic has had a profound impact on all our lives and required us to quickly adapt to new ways of doing things in order to keep ourselves safe. As a result, we have decided to make some changes to the way we host our Annual General Meeting (AGM) this year. The safety of our shareholders, our people and the broader community are key considerations for your Board.

Accordingly, like many other companies, our 2020 AGM will now be held online (virtually) rather than at a physical location.

This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the *Corporations Act 2001* under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*. These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. We are relying on technology to facilitate shareholder engagement and participation in the meeting.

Our AGM will be held on **Thursday 22 October 2020 at 10:00am (Brisbane Time)**.

The Notice of Meeting is available on the Company's website <https://www.cardno.com/investor-centre/investor-information/Annual-General-Meetings>.

Shareholders may be present online, vote and ask questions through the Lumi AGM App on their smartphone, tablet or computer. <https://web.lumiagm.com/374991189>.

Instructions on how to download and use the Lumi AGM App are contained in the Annexure to the Notice of Meeting. Further information regarding online attendance, how to vote and ask questions during the meeting, are set out in the Meeting Guide, available on the Company's website at <https://www.cardno.com/investor-centre/investor-information/>.

Receiving your shareholder communications electronically is the best way to stay informed and keep in touch about your shareholding, so I encourage you to take this opportunity to switch to paperless communications. To receive our shareholder communications electronically, you can update your details at [www.computershare.com.au/easyupdate/CDD](http://www.computershare.com.au/easyupdate/CDD).

Should you have any questions, please contact our share registry, Computershare, on the telephone number at the top of this letter.

We look forward to engaging with shareholders in this new way and hope you will participate in the AGM online.

Michael Alscher  
Chairman

## Access the meeting documents and lodge your proxy online:

### Online:

Access the meeting documents and lodge your vote online at [www.investorvote.com.au](http://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](http://www.intermediaryonline.com)



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



# AGM

## CARDNO ANNUAL GENERAL MEETING

### Meeting Documentation

The 2020 AGM is to be held on  
**Thursday, 22 October 2020**

Virtual Meeting  
Commencing at 10:00am  
(Brisbane time)

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# Notice of Annual General Meeting

The Annual General Meeting of **CARDNO LIMITED** (ABN 70 108 112 303) ('Cardno' or 'Company') will be held on Thursday, 22 October 2020 at 10:00am (Brisbane Time).

In accordance with the government's guidance and restrictions on travel and public gatherings, the meeting will be held as a virtual meeting by electronic means. There will not be a physical meeting where shareholders can attend.

As part of the Australian government's response to COVID-19, temporary modifications have been made to the *Corporation Act 2001*. These modifications allow the Notice of Meeting and other information to be provided online where they can be viewed and downloaded by shareholders.

Shareholders may be present online and vote through the Lumi AGM App on their smartphone, tablet or computer. Instructions on how to download and use the App are contained in the Annexure to this Notice. Further information regarding online attendance at the meeting (including how to 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 and available on the Company's website under the [Investor Information](#) tab.

## Ordinary Business

### FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's financial reports and the report of the Directors and the Company's auditor contained in the Company's Financial Report for the financial year ended 30 June 2020.

#### 1. RE-ELECTION OF JEFFREY FORBES

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

*'That Jeffrey Forbes, a Director retiring by rotation in accordance with rule 19.3(b) of the Constitution and Listing Rule 14.4, and being eligible for re-election, be re-elected as a Director.'*

#### 2. RE-ELECTION OF STEVEN SHERMAN

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

*'That Steven Sherman, a Director retiring by rotation in accordance with rule 19.3(b) of the Constitution and Listing Rule 14.4, and being eligible for re-election, be re-elected as a Director.'*

#### 3. REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a non-binding advisory resolution in accordance with section 250R(2) of the Corporations Act:

*'That the Remuneration Report contained in the Company's Financial Report for the financial year ended 30 June 2020 be adopted.'*

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

## Special Business

#### 4. APPROVAL OF THE PERFORMANCE EQUITY PLAN AND THE ISSUE OF SHARES, PERFORMANCE RIGHTS AND OPTIONS UNDER THE PERFORMANCE EQUITY PLAN

To consider and, if thought fit, pass the following as a special resolution:

*'That, for the purposes of Listing Rule 7.2 (Exception 13)) and for all other purposes, the Cardno Limited Plan Performance Equity Plan (**Plan**) and any grants of Rights (as defined in the Plan) and Shares or Restricted Shares that result from the exercising of Rights under the Plan be approved.'*

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

## 5. APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR

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

*“That, pursuant to Section 208(1)(a) of the Corporations Act and Listing Rule 10.14, the members of the Company approve the granting of a maximum of 2,600,000 Performance Rights to Susan Reisbord, Managing Director, under the Cardno Limited Performance Equity Plan and on the terms outlined in the Explanatory Memorandum.”*

By order of the Board

Dated 21 September 2020

A handwritten signature in black ink, appearing to read 'Peter A. Barker', written in a cursive style.

**PETER BARKER**  
Joint Company Secretary

# Notes

## ONLINE VOTING PROCEDURE

In light of current public health restrictions relating to the spread of COVID-19 the Company has made the decision to hold its first virtual Annual General Meeting. All Shareholders will have the opportunity to attend and participate in the 2020 Annual General 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 Lumi AGM App. The App 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 App are contained in Annexure B to this Notice.

## POLL

In accordance with Article 16.13 of the Company's constitution and in compliance with the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020* made by the Treasurer on 5 May 2020, the Chairman intends to call a poll on each of the resolutions proposed at the meeting.

## ENTITLEMENT TO VOTE

You will be eligible to vote at the meeting if you are a registered holder of ordinary shares in the Company as at 7.00 pm (Brisbane time) on Tuesday, 20 October 2020.

## VOTING

1. 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 7:00 pm (Brisbane time) on Tuesday, 20 October 2020 will be taken, for the purposes of the Annual General Meeting, to be entitled to attend and vote at the meeting.

## APPOINTMENT OF PROXY

2. 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](http://www.investorvote.com.au) and appoint your proxy. 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 with your mobile device and insert your post code. This information is located on the front of your Shareholder letter. A proxy need not be a Shareholder of Cardno.
3. 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) (Brisbane time) on Tuesday, 20 October 2020 (being at least 48 hours before the Meeting)** at the address below or submitted electronically:

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

Lodge electronically by going online at:  
[www.investorvote.com.au](http://www.investorvote.com.au)

If you require an additional Proxy Form, contact the Company's share registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia), who will supply it on request.

4. Shareholders are encouraged to submit their Proxy Forms online. If you wish to post 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.
5. Intermediary Online Subscribers (Custodians) may lodge their proxy instruction online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

6. A Shareholder entitled to attend and cast two or more votes at the meeting is entitled to appoint no more than two proxies to attend and vote in their stead. Where more than one proxy is appointed, each proxy should be appointed to represent a specified proportion of the Shareholder's voting rights. Failure to apportion voting rights will result in each proxy being entitled to vote half of the Shareholder's votes.
7. 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.

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

## SHAREHOLDER QUESTIONS

Whilst shareholders will be provided with the opportunity to submit questions online at the meeting, it would be desirable if the Company was able to receive them in advance.

Shareholders are therefore requested to send any questions they may have for the Company or its directors at the virtual Annual Shareholders' Meeting to [companysecretary@cardno.com.au](mailto:companysecretary@cardno.com.au)

Please note that not all questions may be able to be answered during the meeting. In this case answers will be made available on the Company's website after the meeting.

## VOTING EXCLUSION STATEMENTS

### RESOLUTION 3.

In accordance with the Corporations Act, Cardno will disregard any votes cast by or on behalf of:

- > a member of the Key Management Personnel of the Company whose remuneration details are contained in the Remuneration Report and any Closely Related Party of such a member of the Key Management Personnel of the Company whether the votes are cast as a Shareholder, proxy or in any other capacity, in favour of Resolution 3.

However, Cardno need not disregard a vote in relation to any resolution if:

- > it is cast by a person referred to above who is otherwise excluded from voting on that resolution, as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- > it is cast by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### RESOLUTION 4.

In accordance with the Listing Rule 14.11, the Company will disregard votes cast in favour of Resolution 4 by or on behalf of by any person who is eligible to participate in the Plan and each of their associates.

However, for the purposes of Listing Rule 14.11, this does not apply to a vote cast in favour of a resolution by:

- > a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- > the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- > a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD Corporations Act. The Company will also disregard votes cast by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given in contravention of section 224 of the Corporations Act and any associate of such a related party.

For the purposes of section 224 Corporations Act, the Company will not disregard a vote if:

- > it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- > it is not cast on behalf of a related party or associate of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

## **RESOLUTION 5.**

The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD Corporations Act. The Company will also disregard votes cast by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given in contravention of section 224 of the Corporations Act and any associate of such a related party.

For the purposes of section 224 Corporations Act, the Company will not disregard a vote if:

- > it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- > it is not cast on behalf of a related party or associate of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

For the purposes of Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 5 by or on behalf of:

- > a director of the Company;
- > an associate of a director; or
- > a person whose relationship with the Company or a person referred to above is such that, in ASX's opinion, the acquisition should be approved by security holders.

However, for the purposes of Listing Rule 14.11, this does not apply to a vote cast in favour of a resolution by:

- > a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- > the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- > a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



# Explanatory Memorandum

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## ORDINARY BUSINESS

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### FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires that the Company's Annual Report (which includes the report of the Directors, the report of the Company's auditor and the financial reports) be presented to the Annual General Meeting. In addition, the Constitution provides for such reports and statements to be received and considered at the Annual General Meeting.

This item does not require a formal resolution and, accordingly, no vote will be held on this item.

Shareholders will be allowed a reasonable opportunity to ask questions about, or make comments on, the management of the Company during discussions on this item.

The Company's external auditor will be present at the meeting and Shareholders will be given the opportunity to ask the auditor questions on the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company for the preparation of the financial statements and the independence of the auditor. Shareholders may also submit written questions to the auditor, which should be received by the Company no later than 5:00pm (Sydney time) on Thursday, 15 October 2020.

### RESOLUTION 1 – RE-ELECTION OF DIRECTOR

Listing Rule 14.4 and rule 19.3(b) of the Constitution provide that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. In accordance with Listing Rule 14.4 and rule 19.3(b) of the Constitution, Jeffrey Forbes, being eligible for re-election, stands for re-election.

**A full summary of Jeffrey Forbes's experience and qualifications is detailed below.**

Director	Experience	Special Responsibilities
<b>Jeffrey Forbes</b>	<p>Jeff Forbes joined Cardno Limited as a Non-Executive Director in January 2016. He is an experienced Finance Executive and Company Director with over 30 years' merger and acquisition, equity and capital markets and project development experience. He has significant expertise in the financing and development of resource projects in both Australia and in the Asia Pacific Region.</p> <p>Jeff previously worked at Cardno as CFO and Company Secretary before leaving to commence Non-Executive director roles. He has spent time as a member of the remuneration and audit and risk committees of both listed and unlisted companies in a variety of sectors.</p> <p>Prior to his experience at Cardno, Jeff was the CFO, Company Secretary and Executive Director at Highlands Pacific Limited, a PNG-based mining and exploration company. He has significant experience in capital raisings and during his career has worked for a number of major companies including Rio Tinto, BHP and CSR.</p> <p>Jeff is the Non-Executive Chair of Herron Todd White Group and Non-Executive Director of PWR Holdings Ltd and Intega Group Limited. Previously he was a Non-Executive Director of Talon Petroleum Limited, Exoma Energy Limited, Affinity Education Limited and CMI Limited.</p> <p>Jeff holds a Bachelor of Commerce from the University of Newcastle and is a Graduate of the Australian Institute of Company Directors.</p>	<p><i>Non-Executive Director</i></p> <p><i>Audit, Risk &amp; Compliance Committee Chairman</i></p> <p><i>Member of Remuneration Committee</i></p>

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### DIRECTORS' RECOMMENDATION

The Directors (other than Mr Forbes) unanimously recommend that you vote in favour of Resolution 1.

## RESOLUTION 2 – RE-ELECTION OF DIRECTOR

Listing Rule 14.4 and rule 19.3(b) of the Constitution provide that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. In accordance with Listing Rule 14.4 and rule 19.3(b) of the Constitution, Steven Sherman, being eligible for re-election, stands for re-election.

**A full summary of Steven Sherman's experience and qualifications is detailed below.**

Director	Experience	Special Responsibilities
<b>Steven Sherman</b>	<p>Steven Sherman joined Cardno Limited as a Non-Executive Director in January 2016. He is a Chartered Accountant with more than 35 years' experience in corporate restructuring and insolvency. His experience ranges from advising on and facilitating restructuring and turnaround strategies for large listed enterprises to the re-engineering of entire business across multiple international jurisdictions.</p> <p>During his time in private practice Steven was the National Managing Partner of one of Australia's largest independent internationally operating restructuring and corporate advisory firms. He has practiced in the area of financial and operational restructuring and provided professional advice to multinational financiers and lending syndicates as well as company boards and executives.</p> <p>Steven is the Non-Executive Director of Intega Group Limited.</p> <p>Steven has a Bachelor of Commerce from the University of NSW. He is a Fellow of the Institute of Chartered Accountants and a member of the Australian Institute of Company Directors.</p>	<p><i>Non-Executive Director</i></p> <p><i>Member of Audit, Risk &amp; Compliance Committee</i></p> <p><i>Member of Remuneration Committee</i></p>

## DIRECTORS' RECOMMENDATION

The Directors (other than Mr Sherman) unanimously recommend that you vote in favour of Resolution 2.

## RESOLUTION 3 – DIRECTORS' REMUNERATION REPORT

The Corporations Act requires that listed companies put a resolution to their shareholders to adopt by way of a non-binding advisory vote the Remuneration Report as found in the Company's Annual Report.

The resolution of Shareholders is advisory only and **not binding** on the Directors or the Company. However, the Board and its Remuneration Committee will take the outcome of this vote into account when considering future remuneration policy for non-executive Directors and executive key management personnel. If more than 25% of the votes cast on this resolution are against the adoption of the Remuneration Report, the remuneration report for the following year must either address any comments received from Shareholders or explain why no action has been taken in response to those comments. If, at the following annual general meeting, the remuneration report is again voted against by 25% or more of votes cast, a 'spill resolution' will be put to Shareholders. If at least 50% of the votes cast are in favour of the 'spill resolution' a special meeting of the Company will be held within 90 days at which the Directors in office at the time of the second annual general meeting must resign and stand for re-election.

The remuneration report for the 2019 financial year was unanimously passed by a show of hands at the Company's 2019 annual general meeting. Further, the Company did not receive any specific feedback at that annual general meeting or during the year on its remuneration practices.

The Remuneration Report is contained in the Company's Annual Report, which is available on the Company's website at [www.cardno.com](http://www.cardno.com)

It:

- > explains the Board's policies in relation to the nature and level of remuneration paid to Directors and other KMP within the Group;
- > discusses the link between the Board's policies and the Company's performance;
- > sets out the remuneration details for each Director and for each other member of the Company's KMP; and
- > makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.

The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report at the Annual General Meeting.

## DIRECTORS' RECOMMENDATION

As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) Corporations Act, makes no recommendation regarding this resolution.

## RESOLUTION 4 – APPROVAL OF THE PERFORMANCE EQUITY PLAN AND THE ISSUE OF SHARES AND THE GRANT OF PERFORMANCE RIGHTS AND OPTIONS UNDER THE PERFORMANCE EQUITY PLAN

The Company proposes to issue Shares and grant Performance Rights and Options to Employees under the Cardno Limited Performance Equity Plan (**Plan**). Under the Plan, the Remuneration Committee of the Board will determine which Employees qualify for the issue of Shares and the grant of Performance Rights and Options.

Executive remuneration in the Company is determined by the board based on the recommendations of its non-executive directors, taking into consideration relevant market practices and the circumstances of the Company, on an annual basis. It is the view of the non-executive directors that it is in the interests of shareholders eligible participants in the plan to receive part of their remuneration in the form of equity interests.

The Plan is designed to form a significant component of variable remuneration for executives by facilitating long term variable remuneration, the deferral of short-term variable remuneration into equity, as well as potentially fixed remuneration or retention incentives from time to time. It is the view of the board that the holding of such equity interests creates alignment between shareholder interests and the interests of participants in the Plan. If approved, grants under the Plan will facilitate the Company providing appropriate, competitive and performance-linked remuneration to the employees of the Company.

Non-executive directors are not eligible to participate in the Plan and this is intended to support their independence in providing governance oversight for this component of remuneration.

The Company's previous Performance Equity Plan was approved by Shareholders on 27 October 2016 at the Company's 2016 annual general meeting for the purposes of Exception 13 of Listing Rule 7.2. In the year ended 30 June 2020 the Remuneration Committee commissioned the Godfrey Remuneration Group (GRG) to advise on remuneration trends generally and on the future structure of the Long-Term Incentive (LTI) plan performance hurdles vesting conditions specifically. The Plan that is the subject of this resolution is a new Plan based upon the outcomes of this review process.

A summary of the main features of the Plan is provided in Annexure A.

Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue equity securities, including Performance Rights. In effect, Shareholder approval is required before the Company may issue securities representing more than 15% of ordinary Shares on issue within a 12-month period. However, certain issues are exempt from Listing Rule 7.1 and are effectively disregarded for the purpose of calculating the number of securities which a company may issue.

Exempt issues include an issue of securities to persons participating in an employee incentive scheme where shareholders have approved the issue of securities under the scheme as an exemption from Listing Rule 7.1 in a general meeting held not more than three years before the date of issue where the notice of meeting contains or is accompanied by certain prescribed information, as set out in Exception 13 of Listing Rule 7.2.

In order to take advantage of this exemption from Listing Rule 7.1, and allow the Company greater flexibility in the extent to which it may issue securities, Shareholders are requested to approve the issue of Performance Rights and the issue of Shares pursuant to the terms of the Performance Rights under the Plan for the purposes of Exception 13 of Listing Rule 7.2, as an exemption to Listing Rule 7.1.

Subject to there being no material amendments to the terms of the Plan, this approval will be effective to continue the exemption for three years from the date of passing of this resolution.

Prior Shareholder approval will be required before any executive director can participate in the Plan.

### Securities issued since last approval

Shareholders last approved the issue of securities under the Plan for the purposes of Exception 13) of Listing Rule 7.2 at the 2016 annual general meeting held on 27 October 2016. Since that date, the Company has granted:

- > 2,814,255 Performance Rights on 1 November 2016; and
- > 1,214,428 Performance Rights on 1 November 2017; and
- > 1,394,169 Performance Rights on 1 November 2018,

to eligible participants under the Plan.

The maximum number of equity securities that may be issued under the Plan before shareholder approval is sought again is 22,500,000 Shares (as at the date of this Notice of Meeting), over the next 3 years.

## DIRECTORS' RECOMMENDATION

The non-executive directors unanimously recommend that Shareholders vote in favour of this resolution.

### RESOLUTION 5 - ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR

Shareholders are being asked to approve the grant of Performance rights to the Chief Executive Officer and Managing Director (CEO) Susan Reisbord, under the Cardno Performance Equity Plan.

As CEO Ms Reisbord's remuneration comprises her: (1) base salary of USD 500,000 per annum, (2) a short-term incentive or STI (paid annually and subject to achievement of that financial year's financial performance goals as determined by the Board's Remuneration Committee at the start of each financial year) of up to a maximum of 40% of base salary, and (3) a long-term incentive (LTI) of up to a maximum of 60% of base salary. The LTI grant takes the form of Performance rights.

Performance rights confer an entitlement to be issued one share – subject to meeting certain conditions. Certain financial performance hurdles must be met over a three-year period in order for the performance rights to become ordinary shares and vest to the employee. If the financial performance hurdles are not met or the employee ceases to be employed by Cardno before the three-year period completes then the performance rights do not vest and are cancelled. The LTI financial hurdles are discussed below.

The Board believes that the base salary and annual STI (if earned) reward the relevant executive for performance and achievement in year, while the LTI (if it vests) rewards the executive for financial performance over the medium term, aligned with the creation of shareholder value. In other words, the Board seeks to reward executives for successful short term and medium / long term business outcomes.

In the year ended 30 June 2020 the Remuneration Committee commissioned the Godfrey Remuneration Group (GRG) to advise on remuneration trends generally and on the future structure of the Long-Term Incentive (LTI) plan performance hurdles vesting conditions specifically. As this review was underway, the Committee elected not to put to shareholders for consideration the issue of performance rights on 1 November 2019, delaying putting the proposal to shareholders until the GRG review could be completed. GRG's review was completed in the year ended 30 June 2020 and their recommendations incorporated into the vesting conditions detailed below.

Subject to the approval of Shareholders, the Company proposes to grant 2,347,968 Performance Rights to Susan Reisbord, Managing Director. As explained in the table below, the exact amount to be granted is determined by the Cardno stock price and AUD/USD exchange rate on 1st November 2020. As these could fluctuate (up or down) between the date of this notice and this date, Shareholders are being asked to approve a grant of no more than 2,600,000 Performance Rights to Ms Reisbord.

The calculation of the Performance rights grant is shown below;

	FY2019 Rights	FY2020 Rights
Salary (USD)	USD \$500,000	USD \$500,000
LTI %	60%	60%
Value of LTI Rights	USD \$300,000	USD \$300,000
AUD / USD exchange rate	0.68 (Nov-2019)	0.72 (Aug-2020)**
Cardno VWAP stock price	\$0.46	\$0.30 (Aug-2020)**
Performance Rights Grant	959,080	1,388,888

\*\* Calculation here shows approximate VWAP and AUD/USD FX rate as at end of August 2020. The final calculation will be based on values on 1 November 2020.

The Performance Rights shall be issued under, and subject to, the terms of the Plan.

Listing Rule 10.14 provides that a company must not issue equity securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 8 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

Resolution 5 seeks the required shareholder approval of the issue under and for the purposes of Listing Rule 10.11. In the event that this resolution is not approved by shareholders the issued of Performance Rights the subject of this resolution cannot proceed and the Company will need to consider alternate remuneration strategies to reward Ms Reisbord for medium to long term performance.

## FY2019 Performance Rights

The key terms of the FY2019 Performance Rights (PRs) are set out in the tables below:

<b>Term</b>	Rights that are the subject of this Resolution have a term of 5 years from the Grant Date and if not exercised within the Term the Rights will lapse. However, the Rights will be exercised automatically before this date (see below).																								
<b>Number of Rights</b>	<p>It is proposed that Ms Susan Reisbord will be invited to apply for two Tranches of Rights in relation to this resolution:</p> <p>Tranche 1 – 479,540 Performance Rights with an Indexed Total Shareholder Return (iTSR) Vesting Condition,</p> <p>Tranche 2 – 479,540 Performance Rights with an EBITDA Per Share Growth (EBITDAPSG) Vesting Condition.</p>																								
<b>Measurement Period</b>	<p>The Measurement Period is the period over which Vesting Conditions are assessed.</p> <p>For Tranche 1 – iTSR PRs, the Measurement Period will be from 1 July 2019 to 30 June 2022.</p> <p>For Tranche 2 – EBITDAPSG PRs, the Measurement Period will be from 1 July 2019 to 30 June 2022.</p>																								
<b>Vesting Conditions</b>	<p>Vesting Conditions are conditions that are used to determine the extent, if any, of vesting of Performance Rights.</p> <p><u>For Tranche 1 – iTSR PRs</u>, the Vesting Condition will be based on the Total Shareholder Return (TSR) of Cardno over the three-year Measurement Period (equivalent to the change in Share Price, plus dividends declared assumed to be reinvested), compared to the TSR of the ASX 300 Industrials Total Return Index. Vesting will be determined according to the following scale:</p> <table><tr><th>Performance Level</th><th>Annualised Cardno TSR vs Annualised ASX Small Industrials TR Index Return for Measurement Period</th><th>% of Tranche Vesting</th></tr><tr><td>Target</td><td>≥Index Return + 5% TSR p.a.</td><td>100%</td></tr><tr><td>Threshold - Minimum Acceptable Outcome</td><td>= Index Return</td><td>25%</td></tr><tr><td>Below Threshold</td><td>&lt; Index Return</td><td>0%</td></tr></table> <p>Pro-rata outcomes apply between the specified levels.</p> <p><u>For Tranche 2 – EBITDAPSG PRs</u>, the Vesting Condition will be based on the growth of Earnings Before Interest, Tax and Depreciation per share over the three-year Measurement Period. Vesting will be determined according to the following scale:</p> <table><tr><th>Performance Level</th><th>EBITDAPSG</th><th>% of Tranche Vesting</th></tr><tr><td>Stretch/Target - Incentive/Upside</td><td>≥10% p.a.</td><td>100%</td></tr><tr><td>Threshold - Minimum Acceptable Outcome</td><td>= 6% p.a.</td><td>25%</td></tr><tr><td>Below Threshold</td><td>&lt;6% p.a.</td><td>0%</td></tr></table> <p>Pro-rata outcomes apply between the specified levels.</p> <p>FY2019 EBITDA will, for the purpose of this calculation, be calculated on a pro-forma basis that excludes the contribution from Intega Group Limited companies (so calculated on a post demerger basis).</p> <p>The EBITDAPSG scale was calibrated with the expectation that the Target is the expected outcome, based on an analysis of Cardno’ historical EBITDAPSG performance and future business plans.</p> <p>Both Tranches 1 and 2 are subject to a continued service/employment condition. If the employee ceases to be employed by Cardno prior to the release of the company’s FY 2022 Annual Report, then neither tranche vests.</p>	Performance Level	Annualised Cardno TSR vs Annualised ASX Small Industrials TR Index Return for Measurement Period	% of Tranche Vesting	Target	≥Index Return + 5% TSR p.a.	100%	Threshold - Minimum Acceptable Outcome	= Index Return	25%	Below Threshold	< Index Return	0%	Performance Level	EBITDAPSG	% of Tranche Vesting	Stretch/Target - Incentive/Upside	≥10% p.a.	100%	Threshold - Minimum Acceptable Outcome	= 6% p.a.	25%	Below Threshold	<6% p.a.	0%
Performance Level	Annualised Cardno TSR vs Annualised ASX Small Industrials TR Index Return for Measurement Period	% of Tranche Vesting																							
Target	≥Index Return + 5% TSR p.a.	100%																							
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Performance Level	EBITDAPSG	% of Tranche Vesting																							
Stretch/Target - Incentive/Upside	≥10% p.a.	100%																							
Threshold - Minimum Acceptable Outcome	= 6% p.a.	25%																							
Below Threshold	<6% p.a.	0%																							
<b>Gates</b>	<p>A Gate is a condition that must be met or exceeded before the Vesting Conditions attached to a Tranche may be assessed for the purposes of vesting.</p> <p>For Tranche 1 – iTSR PRs, the Gate condition is that Cardno’ TSR must be positive over the Measurement Period.</p> <p>For Tranche 2 – EBITDAPSG PRs, no Gate applies.</p>																								
<b>Cost of Rights and Exercise Price</b>	<p>No amount is payable by Ms Susan Reisbord for the Rights as the value forms a significant portion of the variable remuneration in her total package for FY20 and FY21.</p> <p>The Exercise Price is nil, being standard market practice for Performance Rights.</p>																								



## FY2020 Performance Rights

The key terms of the FY2020 Performance Rights (PRs) are set out in the tables below:

<b>Term</b>	Rights that are the subject of this Resolution have a term of 5 years from the Grant Date and if not exercised within the Term the Rights will lapse. However, the Rights will be exercised automatically before this date (see below).																								
<b>Number of Rights</b>	<p>It is proposed that Ms Susan Reisbord will be invited to apply for two Tranches of Rights in relation to this resolution:</p> <p>Tranche 1 – 694,444 Performance Rights with an Indexed Total Shareholder Return (iTSR) Vesting Condition,</p> <p>Tranche 2 – 694,444 Performance Rights with an EBITDA Per Share Growth (EBITDAPSG) Vesting Condition.</p>																								
<b>Measurement Period</b>	<p>The Measurement Period is the period over which Vesting Conditions are assessed.</p> <p>For Tranche 1 – iTSR PRs, the Measurement Period will be from 1 July 2020 to 30 June 2023.</p> <p>For Tranche 2 – EBITDAPSG PRs, the Measurement Period will be from 1 July 2020 to 30 June 2023.</p>																								
<b>Vesting Conditions</b>	<p>Vesting Conditions are conditions that are used to determine the extent, if any, of vesting of Performance Rights.</p> <p><u>For Tranche 1 – iTSR PRs</u>, the Vesting Condition will be based on the Total Shareholder Return (TSR) of Cardno over the three year Measurement Period (equivalent to the change in Share Price, plus dividends declared assumed to be reinvested), compared to the TSR of the ASX 300 Industrials Total Return Index. Vesting will be determined according to the following scale:</p> <table><tr><th>Performance Level</th><th>Annualised Cardno TSR vs Annualised ASX Small Industrials TR Index Return for Measurement Period</th><th>% of Tranche Vesting</th></tr><tr><td>Target</td><td>≥Index Return + 5% TSR p.a.</td><td>100%</td></tr><tr><td>Threshold - Minimum Acceptable Outcome</td><td>= Index Return</td><td>25%</td></tr><tr><td>Below Threshold</td><td>&lt; Index Return</td><td>0%</td></tr></table> <p>Pro-rata outcomes apply between the specified levels.</p> <p><u>For Tranche 2 – EBITDAPSG PRs</u>, the Vesting Condition will be based on the growth of Earnings Before Interest, Tax and Depreciation per share over the three-year Measurement Period. Vesting will be determined according to the following scale:</p> <table><tr><th>Performance Level</th><th>EBITDAPSG</th><th>% of Tranche Vesting</th></tr><tr><td>Stretch/Target - Incentive/Upside</td><td>≥10% p.a.</td><td>100%</td></tr><tr><td>Threshold - Minimum Acceptable Outcome</td><td>= 6% p.a.</td><td>25%</td></tr><tr><td>Below Threshold</td><td>&lt;6% p.a.</td><td>0%</td></tr></table> <p>Pro-rata outcomes apply between the specified levels.</p> <p>The EBITDAPSG scale was calibrated with the expectation that the Target is the expected outcome, based on an analysis of Cardno’ historical EBITDAPSG performance and future business plans.</p> <p>Both Tranches 1 and 2 are subject to a continued service/employment condition. If the employee ceases to be employed by Cardno prior to the release of the company’s FY 2023 Annual Report, then neither tranche vests.</p>	Performance Level	Annualised Cardno TSR vs Annualised ASX Small Industrials TR Index Return for Measurement Period	% of Tranche Vesting	Target	≥Index Return + 5% TSR p.a.	100%	Threshold - Minimum Acceptable Outcome	= Index Return	25%	Below Threshold	< Index Return	0%	Performance Level	EBITDAPSG	% of Tranche Vesting	Stretch/Target - Incentive/Upside	≥10% p.a.	100%	Threshold - Minimum Acceptable Outcome	= 6% p.a.	25%	Below Threshold	<6% p.a.	0%
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Below Threshold	<6% p.a.	0%																							
<b>Gates</b>	<p>A Gate is a condition that must be met or exceeded before the Vesting Conditions attached to a Tranche may be assessed for the purposes of vesting.</p> <p>For Tranche 1 – iTSR PRs, the Gate condition is that Cardno’ TSR must be positive over the Measurement Period.</p> <p>For Tranche 2 – EBITDAPSG PRs, no Gate applies.</p>																								
<b>Cost of Rights and Exercise Price</b>	<p>No amount is payable by Ms Susan Reisbord for the Rights as the value forms a significant portion of the variable remuneration in their total package for FY21.</p> <p>The Exercise Price is nil, being standard market practice for Performance Rights.</p>																								

Other key terms of the Plan are detailed in Annexure A to this Notice of Meeting.

## **Other general terms of the Performance Rights**

It is intended that the Performance Rights will be issued within 1 month after the Annual General Meeting, but in any event will be issued no later than 3 years after the Annual General Meeting.

Details of any securities issued under the Performance Equity Plan will be published in Cardno's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after this resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

Ms Reisbord has previously been issued 146,074 securities under the previous Plan.

For the purposes of Listing Rule 10.15.6, the Company proposes to issue Performance Rights to Ms Reisbord (as opposed to fully paid ordinary securities) for the following reasons:

- (a) Performance Rights are designed to incentivise employees, and in this case, to incentivise Ms Reisbord as an Executive Director of the Company. Performance Rights also act to provide a retention incentive for key employees, such as Ms Reisbord, to facilitate long-term growth; and
- (b) Equity based incentives assist in the alignment of Shareholders and Directors' interests.

## **Financial Benefit – Details and reasons**

Approval has been sought for the giving of a financial benefit to Susan Reisbord as a related party, under section 208 of the Corporations Act.

The amount, terms and value (subject to the stated assumptions) of the Performance Rights are set out above.

The reasons for giving this financial benefit are:

- (a) the Company wishes to maximise the use of its cash resources towards other strategic initiatives and equity based incentives;
- (b) the total quantum of Performance Rights to be issued is reasonable in number, and will act as an incentive for future growth of the business;
- (c) Performance Rights are designed to incentivise employees, and in this case, to incentivise Directors of the Company. Performance Rights also act to provide a retention incentive for key employees, such as Ms Reisbord, to facilitate long-term growth;
- (d) equity based incentives assist in the alignment of Shareholders and Directors' interests; and
- (e) the Company believes the associated expense is limited and the nature of the Performance Rights package proposed is commensurate with market practice.

On this basis the Company believes the giving of the financial benefit, as constituted by the issue of the Performance Rights to the applicable Directors is in the best interests of the Company and its Shareholders.

### Existing interests and the dilutionary effect on other Shareholders' interests

The effect that the vesting of the Performance Rights will have on the interests of the applicable Directors relative to other Shareholders' interests is set out in the following table. The table assumes no further issues of shares in, or reconstruction of the capital of the Company during the time between issue and vesting of the Performance Rights.

Susan Reisbord	
The total number of shares on issue in the capital of the Company	447,017,851
Shares currently held by the Director (including indirect interests)	146,074
% of shares currently held by the Director	0.03%
Performance Rights held by the Director prior to Annual General Meeting (including indirect interests)	418,780
Options held by the Director prior to (including indirect interests)	Nil
Performance Rights to be issued under this resolution to the Director following Annual General Meeting	2,347,968
Shares that will be held following the vesting of all Performance Rights and exercise of Options held by the Director (IF all Performance Rights vest)	2,912,822
% of Shares that would be held by the Director assuming no other Performance Rights held by other parties vested	0.65%

### DIRECTORS' RECOMMENDATION

The non-executive directors unanimously recommend that Shareholders vote in favour of this resolution.



# Glossary

Cardno Limited ABN 70 108 112 303

<b>Annual General Meeting</b>	means the Annual General Meeting convened by this Notice of Meeting.
<b>Annual Report</b>	means the annual report of the Company for the year ended 30 June 2020.
<b>ASX</b>	means ASX Limited ACN 008 624 691.
<b>Board</b>	means the board of Directors of the Company.
<b>Closely Related Party</b>	in relation to a member of Key Management Personnel, means: (a) a spouse or child of the member; (b) a child or the member's spouse; (c) a dependant of the member or of the member's spouse; (d) anyone in the member's family who may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or (e) a company which the member controls.
<b>Company or Cardno</b>	means Cardno Limited (ABN 70 108 112 303)
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means the directors of the Company.
<b>Explanatory Memorandum</b>	means the explanatory statement accompanying the resolutions contained in this Notice of Meeting.
<b>Financial Report</b>	means the financial report set out in the Annual Report for the year ended 30 June 2020.
<b>Key Management Personnel or KMP</b>	means the key management personnel of the Company, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. It includes all Directors (executive and non-executive). The Key Management Personnel during the year ended 30 June 2020 are listed in the Remuneration Report.
<b>Notice of Meeting</b>	means this notice of meeting and includes the Explanatory Memorandum.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Remuneration Report</b>	means the remuneration report set out in the Annual Report for the year ended 30 June 2020.
<b>Restricted Shares</b>	Shares that are subject to disposal restrictions.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of Shares.

# Annexure A

Cardno Limited ABN 70 108 112 303

ASPECT	DETAILS
<b>Instrument</b>	<p>The Plan uses indeterminate Rights which are an entitlement to the value of a Share (less any Exercise Price) which may be settled in cash or in Shares (at the Board's discretion). Generally, it is expected that vested Rights will be settled in Shares (including Restricted Shares, which are Shares subject to a disposal restriction).</p> <p>The Plan allows for three classes of Rights which may be appropriate forms of remuneration under various circumstances, being;</p> <ul style="list-style-type: none"><li>(a) Performance Rights which vest when performance conditions have been satisfied and will generally be used for the purpose of granting long term variable remunerations to executives,</li><li>(b) Service Rights which vest after completion of a period of service and which will generally be used as a retention incentive below the executive level if and when appropriate, and</li><li>(c) Restricted Rights which are vested at grant but which may have Exercise Restrictions and or Specified Disposal Restrictions that extend to the Shares that result from the exercise of Rights (Restricted Shares), and will generally be used to defer earned remuneration from time to time e.g. to defer short term variable remuneration (STVR).</li></ul> <p>When an Exercise Price greater than nil is specified in an Invitation the Rights are Share Appreciation Rights that only produce value when the Share Price exceeds the Exercise Price at the time of Exercise i.e. equivalent to an option. They may be Performance Share Appreciation Rights, Service Share Appreciation Rights or Restricted Share Appreciation rights under the foregoing classes of Rights.</p>
<b>Terms and Conditions</b>	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the Plan, including the terms of Invitations.</p> <p>Performance Rights and Service Rights (including when they are Share Appreciation Rights) are subject to Vesting Conditions. In the case of Performance Rights (including Share Appreciation Rights) the Vesting Conditions are intended to be challenging and linked to indicators of sustainable value creation.</p> <p>The terms and conditions of the Plan include those aspects legally required as well as terms addressing exceptional circumstances, such as a de-listing, a major return of capital to shareholders, as well as the treatment of Rights and Restricted Shares on termination of employment.</p> <p>The Plan contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the Plan.</p>
<b>Variation of Terms and Conditions</b>	<p>To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary or amend the terms and conditions of the Plan.</p>
<b>Eligibility</b>	<p>Eligible Persons selected by the Board will be invited to participate in the Plan. Eligible Persons includes: full time and part-time employees, directors and contractors.</p>
<b>Term</b>	<p>Each Invitation will specify the Term of Rights, as determined by the Board, and if not exercised within the Term the Rights will lapse. The maximum term allowable is 15 years under the Rules, which is based on the maximum tax deferral period in Australia. However, because the Rights exercise automatically the life of the instrument will be the period between the Grant Date and the date of automatic exercise (see below).</p>

ASPECT	DETAILS
<b>Number of Rights</b>	The number of Rights specified in an Invitation will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's fixed remuneration, relevant market practices and the relevant policies of the Company regarding remuneration, such that total remuneration is appropriate in both quantum and structure.
<b>Measurement Period</b>	The Measurement Period is the period over which Vesting Conditions are assessed and may be determined by the Board as part of each Invitation but will generally be three years for Performance Rights (including for Performance Share Appreciation Rights).
<b>Vesting Conditions</b>	<p>Vesting Conditions are conditions that are used to determine the extent, if any, of vesting of Performance Rights and Service Rights (including when they are Share Appreciation Rights). Vesting Conditions are to be determined by the Board as part of each Invitation. Performance Rights (including Performance Share Appreciation Rights) will vest based on selected measures of Company performance and service with the Company. They are intended to create alignment with indicators of shareholder value creation over the Measurement Period.</p> <p>Service Rights will vest based on periods of service with the Company only, and will generally relate to annual remuneration cycles when granted as part of fixed remuneration. Restricted Rights do not have Vesting Conditions.</p>
<b>Gates</b>	The Board may attach Gates to tranches of Performance Rights. A Gate is a condition that must be met or exceeded before the Vesting Conditions attached to a Tranche may be assessed for the purposes of vesting.
<b>Cost of Rights and Exercise Price</b>	<p>No amount is payable by Participants for Rights unless otherwise determined by the Board. No Exercise Price is payable by a Participant to exercise Rights under the Rules. However, as part of the terms of an Invitation the Board may determine that a notional Exercise Price applies, which will be deducted from the value of a Share in determining the Exercised Rights Value i.e. creating a cashless exercise option or Share Appreciation Right which functions identically to an option, but is less dilutive than traditional options from a shareholder perspective.</p> <p>The value of the Rights forms part of the annual total remuneration appropriate to each Participant.</p>
<b>Exercise of Vested Rights</b>	<p>Rights are exercised automatically at the latter to occur of the Vesting Date, or the elapsing of Exercise Restrictions.</p> <p>Upon exercise of vested Rights the Exercised Rights Value will be calculated as follows and will be either be paid in cash, converted into Shares based on the then Share price, or a combination of cash and Shares, as determined by the Board:</p> <p><b>Exercised Rights Value =</b></p> <p><b>Number of Rights Exercised x (Share Price at Exercise – Exercise Price)</b></p> <p>Generally, it is expected that the Exercised Rights Value will be settled in Shares. Such Shares will often be Restricted Shares as they will be subject to disposal restrictions if the exercise occurs during a period in which trading in Shares is prohibited under the Cardno securities trading policy.</p>
<b>Exercise Restrictions</b>	<p>An Invitation may specify a period of Exercise Restrictions during which Rights may not be exercised, even if vested.</p> <p>For Restricted Rights which are fully vested at grant, Exercise Restrictions apply for at least 90 days following grant.</p>

ASPECT	DETAILS
<b>Disposal Restrictions</b>	<p>Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p> <p>Shares acquired from the exercise of vested Rights will be subject to disposal restrictions due to:</p> <ul style="list-style-type: none"> <li>(a) The Cardno securities trading policy, and</li> <li>(b) The insider trading provisions of the Corporations Act.</li> </ul> <p>Shares resulting from the exercising of Rights that may not be traded due to the foregoing or because of Specified Disposal Restrictions included in an Invitation will be Restricted Shares while they are so restricted. Cardno will ensure that such restrictions are enforced due to the presence of CHESS holding locks or alternatively via holding of the Restricted Shares in an appropriate Employee Share Trust.</p>
<b>Disposal and Exercise Restriction Release at Taxing Point</b>	<p>In the event that a taxing point arises during employment with the Company in relation to Restricted Rights or Restricted Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of the taxable Rights and Shares. This ensures that unreasonable tax outcomes are avoided.</p>
<b>Termination of Employment</b>	<p>If a Participant is classified as Bad Leaver, all unvested Rights will be forfeited upon termination. Bad Leaver includes a Participant that has ceased to be an employee of the Group, due to termination for cause, fraud, defalcation or misconduct, resignation without Board permission, resignation to join a competitor or otherwise as determined by the Board in its sole discretion.</p> <p>It should be noted that the Plan contains clauses that address fraud, misconduct, inappropriate benefits and clawback which will result in the forfeiture of unvested and unexercised rights equivalent to traditional “Bad Leaver” approaches, but which may apply at any time including during employment.</p> <p>Should a Participant leave Cardno for any other reason (including but not limited to an inability to work due to illness or death, or termination) then all unvested rights are forfeited upon termination. The Remuneration Committee retains the ability to apply discretion in extenuating circumstances.</p>
<b>Change of Control or Delisting</b>	<p>In the event the Board determines that the Company will be subject to a de-listing, the Vesting Conditions specified in an Invitation for Performance Rights will cease to apply and:</p> <ul style="list-style-type: none"> <li>&gt; Unvested Performance Rights in each tranche will vest in accordance with the following formula:</li> </ul> $\text{Number of Performance Rights to Vest} = \frac{\text{Unvested Performance Rights}}{\text{Performance Rights}} \times \frac{\% \text{ of First Year of Measurement Period Elapsed}}{\text{Measurement Period Elapsed}} \times \frac{(\text{Share Price at the Effective Date} - \text{Share price at Measurement Period Commencement})}{\text{Share price at Measurement Period Commencement}}$ <ul style="list-style-type: none"> <li>&gt; Remaining Performance Rights may vest or lapse as determined by the Board,</li> <li>&gt; Service Rights will vest to the extent determined to be appropriate by the Board under the circumstances applicable to each grant of Service Rights, and</li> <li>&gt; Exercise Restrictions and Specified Disposal Restrictions will cease to apply on the date determined by the Board.</li> </ul> <p>The Plan does not contain an automatic trigger to bring forward vesting upon a change of control event, however the Board has discretion to bring forward vesting under the discretionary powers contained in the Rules.</p>

ASPECT	DETAILS
<b>Major Return of Capital or Demerger</b>	<p>In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board has discretion to vest, lapse or adjust the terms of Rights such that Participants are neither advantaged nor disadvantaged by the corporate action.</p> <p>Restricted Rights will cease to be subject to Exercise Restrictions prior to the return of capital or demerger, on the date determined by the Board.</p>
<b>Board Discretion and Preventing Inappropriate Benefits</b>	<p>The Board has discretion to adjust the number of Rights that ultimately vest if it forms the view that the unadjusted outcome is not appropriate to the circumstances that prevailed over the Measurement Period and/or to the contribution of a Participant to outcomes over the Measurement Period.</p> <p>The Board has sole discretion to determine that some or all unexercised Rights held by a Participant lapse on a specified date, if allowing the Rights to be retained would, in the opinion of the Board, result in an inappropriate benefit to the Participant. Such circumstances include joining a competitor or actions that harm the Company's stakeholders.</p> <p>In the case of fraud or misconduct, Participant will forfeit all unvested Rights.</p>
<b>Bonus Issues, Rights Issues, Voting and Dividend Entitlements</b>	<p>The number of Rights held by Participants will be proportionately adjusted to reflect bonus issues. Right holders will not participate in Shareholder rights issues but may, subject to the ASX Listing Rules, be offered options on similar terms to the rights issue.</p> <p>Rights do not carry voting or dividend entitlements. Shares (including Restricted Shares) issued when Rights are exercised carry all entitlements of Shares, including voting and dividend entitlements.</p>
<b>Quotation</b>	<p>Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.</p>
<b>Issue or Acquisition of Shares</b>	<p>Shares allocated to a Participant when Rights are exercised under the Plan may be issued by the Company or acquired on or off market by a trustee whose purpose is to facilitate the operation of the plan.</p>
<b>Cost and Administration</b>	<p>The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the Plan.</p>
<b>Hedging</b>	<p>The Company prohibits the hedging of Rights or Shares subject to disposal restrictions by specified Participants.</p>

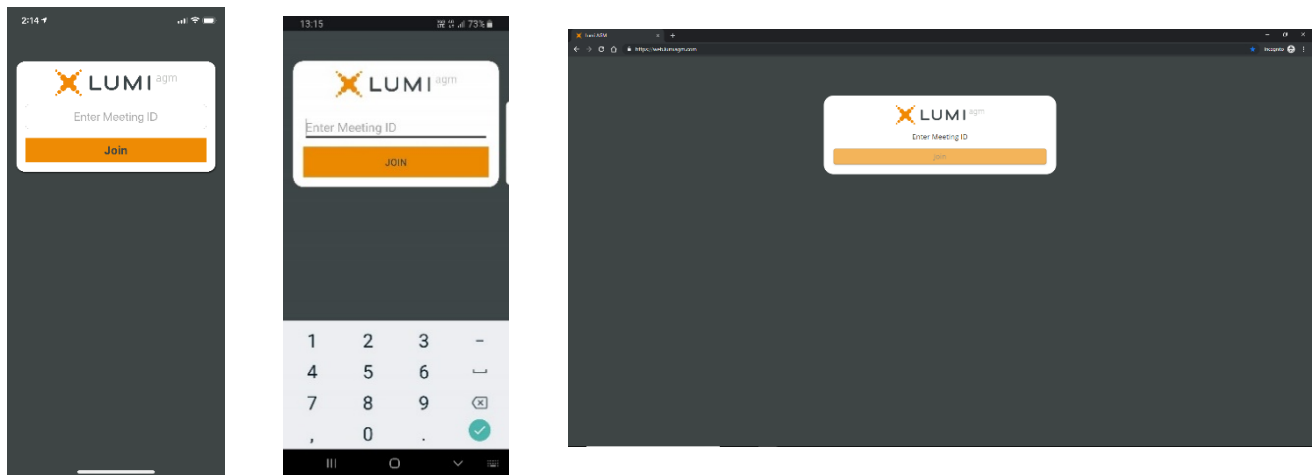
# Annexure B

Cardno Limited ABN 70 108 112 303

## LUMI GUIDE - VIRTUAL AGM

In order to participate at the AGM, Shareholders/members will need to download the AGM App onto their smartphone device. This is available in native app format (Android and iOS) and can be downloaded from the Google Play Store™ or the Apple® App Store by searching by app name “Lumi AGM”.

Alternatively, Lumi AGM can be accessed using any web browser on a PC, tablet or smartphone device. To vote using this method, please go to <https://web.lumiagm.com>.



Once Shareholders/members have opened the ‘Lumi AGM’ app or accessed the web address from a PC, they will be prompted to enter a unique 9-digit Meeting ID.

### The Meeting ID is 374-991-189

When successfully authenticated, shareholders/members will be directed to the home screen. The Home Screen displays the meeting name, the Meeting ID and your name. Along with any other information relevant to the meeting.

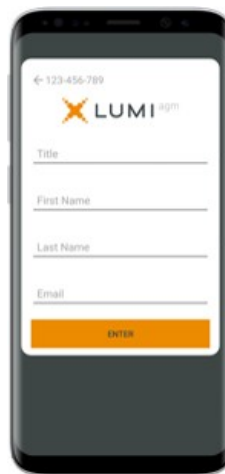
- 1 Enter the unique 9-digit Meeting ID provided above.
- 2 To proceed into the meeting, you will need to read and accept the Terms and Conditions.



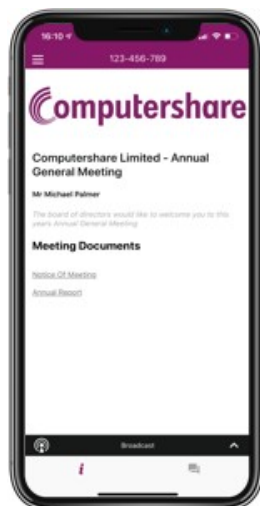
- 3 To register as a securityholder, select **'I have a login'** and enter your username (SRN or HIN) and password (postcode or country code)





- 3a If you are a visitor, or don't have your SRN or HIN, select **'I am a guest'** and enter your name and email details. Please note visitors will not be able to ask questions or vote at the meeting.







- 4 Once logged in, you will see the home page, which displays the meeting documents and information on the meeting. Icons will be displayed in different areas, depending on the device you are using.



## 5 View the webcast

To view proceedings, you must tap the broadcast arrow  on your screen. Video and/or slides of the meeting will appear after approx. 30 seconds\*. Toggle between the up or down arrow  to view another screen. (\*Dependant on the speed of your internet)




	The broadcast bar allows you to view and listen to the proceedings
	Home page icon, displays meeting information
	Questions icon, used to ask questions
	Voting icon, used to vote. Only visible when the chairman opens poll



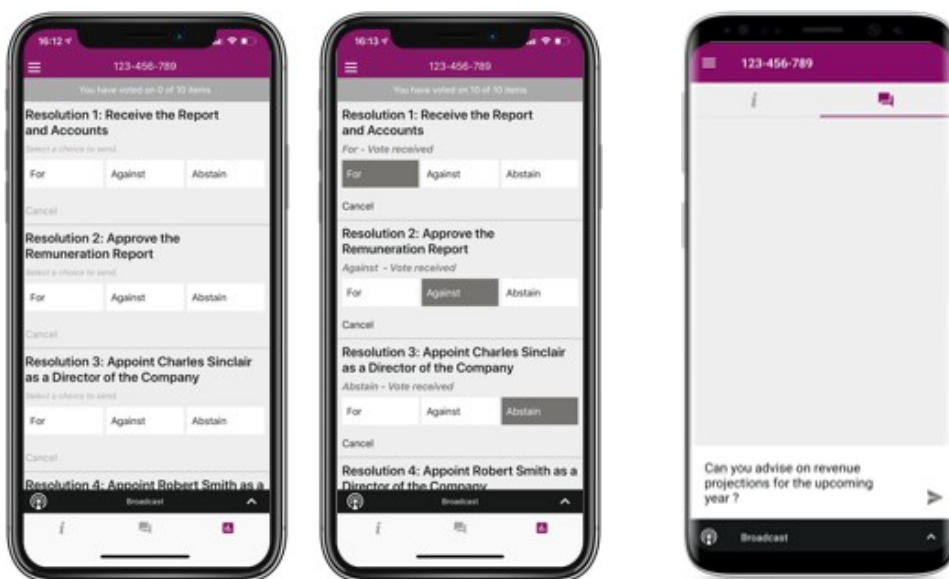
## 6 To Vote

When the Chairman declares the poll open:



- > A voting icon  will appear on your device and the Meeting Resolutions will be displayed.
- > To vote tap one of the voting options. Your response will be highlighted.
- > To change your vote, simply press a different option to override.

The number of items you have voted or yet to vote on, is displayed at the top of the screen.

Votes may be changed up to the time the chairman closes the poll.



## 7 To Ask Questions

Tap on the Questions icon  to submit a question, type your question in the chat box at the bottom of the screen and then select the send icon .

Confirmation that your message has been received will appear.

On some devices, to vote, you may need to minimise the webcast by selecting the arrow in the broadcast bar, audio will still be available. To return to the webcast after voting, select the arrow again.





**Registered office**

Cardno Limited  
ABN 70 108 112 303

Level 11, North Tower  
Green Square  
515 St Paul's Terrace  
Fortitude Valley  
QLD 4006 Australia

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**www.cardno.com**

**75**

**YEARS**

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difference.



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[www.facebook.com/CardnoGlobal](http://www.facebook.com/CardnoGlobal)



Watch us on  
[www.cardno.com/youtube](http://www.cardno.com/youtube)



## 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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Brisbane Time) Tuesday, 20 October 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities 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 securities 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 securities 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 securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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.

## Lodge your Proxy Form:

XX

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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.

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. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

## 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 Annual General Meeting of Cardno Limited to be held **Virtually on Thursday, 22 October 2020 at 10:00 am** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 4 & 5** (except where I/we have indicated a different voting intention below) even though **Item 4 & 5 are** connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 4 & 5** by marking the appropriate box in step 2 below.

### STEP 2

#### Items 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 show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1. RE-ELECTION OF JEFFREY IAN FORBES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. RE-ELECTION OF STEVEN SHERMAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Special Business

4. APPROVAL OF THE PERFORMANCE EQUITY PLAN AND THE ISSUE OF SHARES, PERFORMANCE RIGHTS AND OPTIONS UNDER THE PERFORMANCE EQUITY PLAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Date

CDD

2 6 7 9 0 5 A



Computershare +