

ASX Announcement



04 November 2021

Cardno Limited (ASX Code: 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 for the Company's Extraordinary General Meeting and Proxy Form.

The Extraordinary General Meeting will be held by virtual means at 10:00am AEST (Brisbane time) on Friday, 03 December 2021.

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 -

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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 with 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.

Cardno Limited

ABN 70 108 112 303

Notice of General Meeting and Explanatory Memorandum to Shareholders

Date of Meeting

Friday, 3 December 2021

Time of Meeting

10:00am AEST (Brisbane time)

Place of Meeting

To be held virtually via <https://web.lumiagm.com/327063152>

Meeting ID is 327-063-152

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully. If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Important Dates

Event	Date
Date of Explanatory Memorandum and despatch to Shareholders	4 November 2021
Deadline for return of Proxy Forms for the General Meeting	10:00am on 1 December 2021
Record date for voting at the General Meeting	10:00am on 1 December 2021
General Meeting of Shareholders to approve Transactions, Capital Return and Consolidation	10:00am on 3 December 2021
<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 Transactions. Cardno will confirm these dates through the ASX platform (and on the Company's website) as soon as it is able to do so.</i>	
Notification to ASX that Completion of the Transactions has occurred Effective date of the Capital Return	Currently expected to be 7 December 2021 (subject to satisfaction/waiver of all conditions precedent under the Share Purchase Agreements).
Last day for trading in 'cum return of capital' Shares	9 December 2021
Shares commence trading on an 'ex return of capital' basis	10 December 2021
Record Date for determining entitlements to participate in the Capital Return and to be paid the Special Dividend	13 December 2021
Payment date in respect of the Capital Return and Special Dividend	20 December 2021
Effective date of Consolidation	21 December 2021
Last day for trading in pre-Consolidation Shares	22 December 2021
Shares commence trading on a post-Consolidation deferred settlement basis	23 December 2021
Record date for Consolidation	24 December 2021
First day for the Company to update its register and send holding statements to Shareholders	27 December 2021
Last day for the Company to update its register and send holding statements to Shareholders	31 December 2021

All times are a reference to AEST (Brisbane time). All dates after the date of the General Meeting assume that Completion under both Share Purchase Agreements occurs on 7 December 2021 (which is subject to change).

Notice of General Meeting

Notice is hereby given that a General Meeting of members of **CARDNO LIMITED** (ABN 70 108 112 303) ('Cardno' or 'Company') will be held on Friday, 3 December 2021 at 10:00am AEST (Brisbane time).

In accordance with the Australian 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 that Shareholders can attend.

As part of the Australian government's response to COVID-19, temporary modifications have been made to the Corporations Act. 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 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

RESOLUTION 1 - DISPOSAL OF MAIN UNDERTAKING

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

'That, for the purposes of Listing Rule 11.2 and for all other purposes, approval is given for the disposal of the Company's Americas and Asia Pacific consulting businesses, being together, the main undertaking of the Company, by way of share sale to Mustang Acquisition Holdings Inc. and Stantec Australia Pty Ltd, respectively, in accordance with the terms of the Share Purchase Agreements described in the Explanatory Memorandum.'

This resolution is subject to voting exclusions as 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 Resolution 1 being passed and completion occurring under the Share Purchase Agreements, the issued share capital of the Company be reduced by up to \$360 million in accordance with sections 256B and 256C of the Corporations Act and that capital reduction is to be effected, subject to the Board's discretion, by the Company paying each Shareholder the amount of up to \$0.92 per Share on the terms and conditions set out in the Explanatory Memorandum.'

RESOLUTION 3 – CONSOLIDATION OF ORDINARY SHARES

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

'That, subject to Resolution 1 and Resolution 2 being passed, for the purposes of section 254H of the Corporations Act, the Company's Constitution and for all other purposes, approval is given to undertake the Consolidation on the basis that:

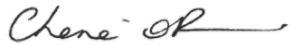
- (a) every 10 Shares held by a Shareholder be consolidated into 1 Share;*
- (b) all convertible securities on issue be adjusted in accordance with Listing Rule 7.21; and*
- (b) where the Consolidation results in a fraction of a Share being held by a Shareholder, the Company be authorised to round that fraction up to the nearest whole Share.*

The Consolidation will take effect from the first trading day after completion of the payment to Shareholders of the Distribution (as described in Resolution 2).'

Details of the definitions and abbreviations used in this Notice of Meeting are set out in the Glossary to the Explanatory Memorandum.

By the order of the Board

Dated 4 November 2021

A handwritten signature in black ink, appearing to read 'Cherie O'Riordan', with a stylized flourish at the end.

CHERIE O'RIORDAN
Joint Company Secretary

Notes

ONLINE VOTING PROCEDURE

In light of the current public health restrictions relating to the spread of COVID-19, the Company has made the decision to hold the General Meeting virtually. 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 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 A to this Notice.

In light of the continuing COVID-19 pandemic, we encourage Shareholders to monitor the ASX and Cardno's website for updates (if any) following the issuing of this Notice of Meeting.

POLL

In accordance with Article 16.13 of the Company's constitution and in compliance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* that received Royal Assent on 3 August 2021, the Chairman intends to call a poll on each of the resolutions proposed at the Meeting.

VOTING

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 (Brisbane time) on 1 December 2021 will be taken, for the purposes of the General Meeting, to be entitled to attend and vote at the Meeting.

APPOINTMENT OF PROXY

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. 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.
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 (Brisbane time) on 1 December 2021 (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)

Proxy forms may be submitted online by visiting www.investorvote.com.au

3. 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. 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 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.
6. 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 of Australia).

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. Whilst Shareholders will be provided with a reasonable 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 to 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.

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 on Resolution 1 by Stantec, Mustang or any of their Associates and any other person who might obtain a material benefit in respect of the transactions contemplated by Resolution 1, except a benefit solely in the capacity as a holder of ordinary securities in the Company (and any Associate of such person).

However, the Company need not disregard a vote in respect of Resolution 1 if:

- > it is cast 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;
- > it is cast by the Chairman 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 Chairman to vote on the resolution as the Chairman 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:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 and Resolution 3

There are no voting restrictions on Resolution 2 and Resolution 3.

Explanatory Memorandum

RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

1.1 BACKGROUND

On 9 June 2021, the Company announced the commencement of a strategic review process. The process involved an assessment of Cardno's strategic options and the alternative strategies available to unlock and enhance value for Shareholders. This strategic review was conducted on behalf of Cardno by investment banks Baird and Gresham and saw a significant number of international groups conduct due diligence on Cardno. This allowed the Board considerable price discovery as to the value of each of Cardno's divisions.

On 21 October 2021, the Company announced it had entered into Share Purchase Agreements to sell its entire interest in its Americas and Asia Pacific (**APAC**) consulting divisions to related entities of Stantec Inc. Stantec Inc. is a global provider of integrated professional services with 22,000 employees working in over 350 locations across 6 continents. Stantec Inc. is listed on the TSX and the NYSE under the symbol STN.

Cardno's Americas consulting business delivers services to private and public sector clients across the environmental, water, transportation, energy and resources, land, buildings and management sectors.

Cardno's APAC consulting business provides services in civil, structural, water, environmental, coastal, bridge, geotechnical, subsurface utility, traffic and transport engineering as well as environmental science, surveying, landscape architecture, planning and asset management.

Pursuant to the terms of the Share Purchase Agreement between the Company and:

- (a) Mustang Acquisition Holdings Inc. a wholly owned subsidiary of Stantec Inc, incorporated in Delaware, the Company has agreed to sell its entire holdings in Cardno USA, Inc. and Cardno Canada Holdings Limited for a total consideration of US\$375 million (subject to adjustments and other payments set out in this Explanatory Memorandum) (the **Americas Share Purchase Agreement**); and
- (b) Stantec Australia Pty Ltd, a wholly owned subsidiary of Stantec Inc., the Company has agreed to sell its entire holdings in Cardno Holdings Pty Ltd and Cardno Holdings New Zealand Limited for a total consideration of US\$125 million (subject to adjustments and other payments set out in this Explanatory Memorandum) (the **APAC Share Purchase Agreement**),

together, with such amendments as Cardo may agree with Stantec or Mustang, the **Share Purchase Agreements**.

The aggregate price of these two transactions is US\$500 million or approximately A\$667 million (assuming an AUD:USD exchange rate of \$0.75). The Company removed the exchange rate volatility risk by locking in the exchange rate at \$0.7493.

Completion under each Share Purchase Agreement is conditional upon Shareholders approving a disposal of the Company's main undertaking pursuant to Listing Rule 11.2 (among other conditions).

1.2 LISTING RULE 11.2

Listing Rule 11.2 requires a listed company to obtain the approval of its Shareholders for a disposal of its main undertaking. Following consultation with the ASX, Shareholder approval is being sought for the purposes of Listing Rule 11.2 for the sale of the Company's Americas and APAC consulting divisions.

If Resolution 1 is passed, Cardno will be able to proceed with and complete the Transactions subject to the satisfaction of any other remaining conditions.

The Company's majority shareholder, Crescent Capital Partners (who, as at the date of this Notice of Meeting, holds 55.8% of the Shares) has informed Cardno that it intends to vote in favour of the Transactions in the absence of a superior proposal. Crescent Capital Partners has consented to the inclusion of this statement in this Notice of Meeting.

Subject to Resolution 1 being passed and completion of the Transactions, the Company anticipates it will have capital in excess of what is needed for the Company's ongoing operations for the foreseeable

future. Accordingly, pursuant to Resolution 2 and subject to the terms of that Resolution and this Explanatory Memorandum, the Company intends to return to Shareholders a substantial proportion of the cash consideration to be derived from completion of the Transactions.

It is intended that the distribution will take the form of an unfranked dividend of up to A\$0.57 per Share (the **Special Dividend**) in addition to an equal capital return of up to A\$0.92 per Share to Shareholders (the **Capital Return**) (together, the **Distribution**). As the Special Dividend does not require Shareholder approval, it is not part of the resolutions for the General Meeting.

If Resolution 1 is not passed, Cardno will not be able to proceed with the Transactions, the Share Purchase Agreements will be terminated in accordance with their terms, no Distribution will be paid and the Company will continue to operate its Americas and APAC consulting divisions.

For the avoidance of doubt, Resolution 1 is not conditional upon Resolution 2 being approved. If Resolution 1 is approved (and the Transactions complete), but Resolution 2 is not approved, the Board reserves the right to deal with the cash consideration from the Transactions as it considers appropriate, which may still include a distribution of cash to Shareholders through available means.

1.3 REASON FOR THE SALE OF MAIN UNDERTAKING

The Directors believe that, following an assessment of the advantages and disadvantages set out below, the Transactions are in the best interests of the Company.

(a) Potential advantages of the Transactions

The Board is of the view that the Transactions have significant potential advantages, including but not limited to the following:

- (a) the Transactions would realise the current and inherent value of the Company's Americas and APAC consulting businesses;
- (b) being all-cash, the Transactions offer significant and certain value to Shareholders, which the Company intends to primarily return to Shareholders via the Distribution;
- (c) the Transactions were the result of an extensive international strategic review that was focused on ensuring that the maximum value of the parts of the Company was unlocked for Shareholders. The share price of Cardno on the day prior to the announcement of the strategic review (8 June 2021) was A\$0.73 per Share. The day the Transactions were announced (22 October 2021), the share price closed at A\$1.53 per Share;
- (d) since the announcement of the Transactions, no superior proposal has emerged; and
- (e) Shareholders will retain the value implied by Cardno's international development business and its Latin American operations and excess cash on the Company's balance sheet.

(b) Potential disadvantages of the Transactions

The Board is of the view that the Transactions have limited disadvantages, including but not limited to the following:

- (a) Shareholders will be excluded from participating in the future financial performance of the Company's Americas and APAC consulting businesses;
- (b) the scale of the Company after the Transactions will be materially reduced and the liquidity of shares in the Company may potentially decrease. In turn this may affect the valuation of the Shares and the ability of Shareholders to trade their Shares after completion of the Transactions;
- (c) the tax consequences of the Distribution may not suit the current financial position of Shareholders; and
- (d) notwithstanding the unanimous recommendation of the Directors that the Transactions are in the best interests of Shareholders, Shareholders may not believe that the Transactions are in their best interests or in the best interests of Shareholders as a whole.

1.4 MATERIAL TERMS OF THE SHARE PURCHASE AGREEMENTS

(a) Consideration

The consideration:

- under the Americas Share Purchase Agreement is US\$375 million (A\$500 million); and
- under the APAC Share Purchase Agreement is US\$125 million (A\$167 million),

assuming an AUD:USD exchange rate of \$0.75 (together, the **Consideration**).

The Consideration under each Share Purchase Agreement is payable on Completion of that Share Purchase Agreement (which is no later than five Business Days after the last of the conditions precedent under each Share Purchase Agreement are satisfied, or such other day agreed to in writing) and is subject to standard net debt and working capital adjustment.

(b) Conditions Precedent to Completion

Completion under the Americas Share Purchase Agreement is conditional upon:

- **(Listing Rule 11.2)**: the Company obtaining the approval of Shareholders to the transaction constituted by the Americas Share Purchase Agreement in accordance with Listing Rule 11.2 (*proposed disposal of main undertaking*).
- **(HSR Act)**: all waiting periods applicable to the consummation of the transactions contemplated by this agreement under the HSR Act (or any extensions thereof) shall have expired or been terminated;
- **(IDG Separation)**: the IDG Separation having been completed;
- **(DCSA Approval)**: DCSA Approval has been received and, to the extent required by any government agency under applicable national security, public interest, or foreign investment laws, CFIUS Approval has been received; and
- **(APAC Share Purchase Agreement)**: the Company obtaining the approval of its ordinary shareholders to the transaction constituted by the APAC Share Purchase Agreement in accordance with Listing Rule 11.2 (*proposed disposal of main undertaking*).

Completion under the APAC Share Purchase Agreement is conditional upon:

- **(Listing Rule 11.2)** the Company obtaining the approval of Shareholders to the transaction constituted by the APAC Share Purchase Agreement in accordance with ASX Listing Rule 11.2 (*proposed disposal of main undertaking*); and
- **(Americas Share Purchase Agreement)** the conditions precedent under the Americas Share Purchase Agreement having been satisfied or waived (as applicable).

(c) Warranties and Indemnities

Cardno provides customary warranties under each Share Purchase Agreement relating to the respective target group and its business and affairs, subject to customary liability 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 under each Share Purchase Agreement for any tax liability of the respective target group prior to Completion and in respect of certain specific issues.

(d) Warranty and Indemnity Insurance

Under the Americas Share Purchase Agreement, Mustang has taken out buy side warranty and indemnity insurance in relation to the warranties and indemnities provided by Cardno. Mustang's recourse in respect of a breach of the warranties and tax indemnities under the Americas Share Purchase Agreement will be limited to its recourse under the insurance policy, with limited exceptions.

Under the APAC Share Purchase Agreement, Stantec was obligated to use its best endeavours to take out buy side warranty and indemnity insurance in relation to the warranties and indemnities provided by Cardno. If this was not obtained, Cardno was required to put A\$25 million in escrow for 12 months. As at the date of this Notice, this insurance has now been taken out and accordingly the escrow is not required.

(e) Termination

APAC Share Purchase Agreement

Either the Company or Stantec may terminate the APAC Share Purchase Agreement at any time before Completion, if any of the conditions precedent becomes incapable of satisfaction, or if all conditions precedent are not satisfied by 18 February 2022 or such other date as agreed by the Company and Stantec.

Stantec may terminate the APAC Share Purchase Agreement if at any time prior to Shareholders approving the Transaction, Cardno has breached various obligations and its warranties under that agreement and such a breach has caused or is expected to cause a loss of 10% or more of the purchase price under the APAC Share Purchase Agreement.

Americas Share Purchase Agreement

Either the Company or Mustang may terminate the Americas Share Purchase Agreement at any time before Completion, if any of the conditions precedent becomes incapable of satisfaction, or if all conditions precedent are not satisfied (or waived, as applicable) by 18 February 2022 or such other date as agreed by the Company and Mustang.

Mustang may terminate the Americas Share Purchase Agreement if at any time prior to Shareholders approving the Transaction, Cardno has breached various obligations and its warranties under that agreement and such breach has caused or is expected to cause a loss of 10% or more of the purchase price under the Americas Share Purchase Agreement.

(f) Non-Compete

Cardno has agreed under each Share Purchase Agreement to customary non-compete, non-solicit and non-disparagement obligations for a period not exceeding three years from Completion, subject to various limited exceptions.

(g) Matching Rights

Cardno has granted Stantec and Mustang a right to match any competing proposal before Cardno enters into any agreement relating to a competing proposal.

(h) Break Fees

Cardno has agreed to pay a break fee under each Share Purchase Agreement of 1% of the respective purchase price if:

- it enters into an agreement in relation to a competing proposal;
- a director of Cardno states that they will not vote their shares in favour of the transaction or changes or withdraws their recommendation;
- a director of Cardno recommends that Shareholders accept or vote in favour, or otherwise supports or endorses a competing proposal; or
- a competing proposal is announced, the resolution to approve the transaction is not passed and within 6 months after the date of the announcement, the competing proposal is completed.

1.5 EFFECT OF THE TRANSACTIONS ON THE COMPANY

(a) Effect on key financial line items

A pro forma statement indicating the Transactions' impact on certain balance sheet line items has been prepared based on the Company's 30 June 2021 financial position.

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

Pro forma (A\$m)	Reported as at 30 June 2021	Change due to Transactions	Post Transactions, Pre-Distribution as at 30 June 2021
Total Assets	553.8	121.4	675.2
Total Liabilities	276.1	(228.5)	47.6
Total Equity Interests	277.7	349.9	627.6

The key assumptions that inform this pro-forma statement include (but are not limited to):

- gross proceeds from the Transactions totalling A\$667 million based on an AUD:USD exchange rate of \$0.75;
- payment of approximately A\$23.2 million for run off insurance, advisor fees, transaction costs, and other items associated with the Transactions;
- write off of deferred tax assets as non-recoverable post Transactions;
- full repayment of an external debt facility of approximately A\$60 million on Completion; and
- cash settlement of Performance Rights under the Cardno Long-Term Incentive Plan in full of approximately A\$20 million.

(b) Effect on capital structure

Following completion of the Transactions, Cardno intends to pay the Distribution of up to A\$1.49 per Share to Shareholders. This Distribution will be comprised as follows:

- an unfranked dividend of up to A\$0.57 per Share, or up to A\$222 million in aggregate; and
- the balance to be paid to shareholders via the Capital Return contemplated by Resolution 2.

This will result in a further reduction of capital of the Company by that amount which is expected to be up to A\$360 million, leaving equity of approximately A\$10 million.

Approximately 64% of the unfranked 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 Resolution 2 to this Explanatory Memorandum for more information.

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

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

The existing senior management of the international development team will remain.

Peter Barker will continue as Chief Financial Officer of Cardno. The Board of Cardno will reduce in size reflecting its smaller size. The membership of the Board will be determined over the next month and Shareholders will be updated as soon as any determination has been made.

(d) Tax impact

Whilst the final tax impact of the Transactions 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 Transactions.

Following Completion of the Transactions, the tax losses being carried forward by the Company and its subsidiaries will be significantly reduced. Tax consequences for individual shareholders regarding the Distribution are described in section 1.7 of Resolution 2.

(e) Intentions if the Transactions proceed

Following Completion of the Transactions, the Company intends to remain an ASX listed company and continue to operate its engineering and consultancy business through its remaining international development and Latin American group companies.

Following Completion of the Transactions, the Distribution and cash settlement of the Performance Rights, Cardno will retain approximately A\$30.6 million of cash (approximately A\$0.08 per Share) after paying all transaction costs and repaying outstanding Company debt. This cash will be used to support the Company's remaining international development and South American operations.

Following the sale of both consulting divisions, the Board will continue its strategic review of Cardno's remaining operations to determine the best way to maximise returns for Shareholders.

Cardno going forward will be a leading provider of international development services to the Department of Foreign Affairs and Trade, United States Agency of International Development and other development aid agencies.

Cardno's International Development business is a significant business that earned more than \$300 million of gross revenues in FY21. It is one of the two largest providers of international development consulting to the Australian Government (through DFAT) and is leader in Public Finance Management for the Millennium Challenge Corporate. The business is structured to mirror the needs of its key funders. In the Asia Pacific region, Cardno is structured geographically to meet the needs of DFAT. In the US, the business is focused on four verticals: economic growth, public finance management, community infrastructure and public health.

The Board continues to consider the strategic options available for Cardno International Development. The Board is focused on continuing to support the staff and projects of the business and is focused on ensuring the business maintains its strong reputation for impactful development work. The Board is focused on ensuring the long term future of the business and believe that it would benefit from an increase in scale to enable it to capture the significant opportunities that it has in the Asia Pacific region and globally. This increase in scale could be achieved through a merger with or an acquisition of another development focused business. The Board will continue to evaluate its strategic options related to the International Development business over the next 12 months.

The Company will also continue to provide socio-environmental services in Latin America through its Cardno ENTRIX subsidiary. Cardno will continue the wind-down of its non-Cardno ENTRIX Latin American operations which is expected to be completed by December 2022. There is an expectation that further cashflow will be generated from these operations during wind-down however, the actual amount remains uncertain. Cardno will look to update Shareholders at the time of Cardno's half year results in February 2022. This may result in additional funds becoming available to distribute to Shareholders, the amount of which is not able to be calculated at this time.

(f) Intentions if the Transactions do not proceed

If the Transactions are not approved by Shareholders, or do not otherwise complete under the Share Purchase Agreements, the Directors intend to keep operating Cardno's Americas and APAC consulting divisions. The Company would consider recommencing its strategic review for the sale of its interest in those two consulting divisions (or other divisions within its group) or otherwise proceed with an alternative strategic divestment option with the objective of maximising shareholder value.

1.6 DIRECTORS' RECOMMENDATION

(a) Recommendation

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 1.

Each Director who is also a Shareholder intends to vote all Shares which they control in favour of Resolution 1.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

(b) Directors' interests

The Directors do not have any material interest in the outcome of Resolution 1 other than as a result of their interest arising solely in their capacity as securityholders of the Company.

No Director will receive any payment or benefit of any kind as a consequence of the Transactions other than in their capacity as a securityholder, and as proposed under Resolution 2.

As at the date of this Explanatory Memorandum, the directors who hold marketable securities in the Company are Ms Susan Reisbord and Mr Jeffrey Forbes. Their interests are as follows:

Director	Number of Shares	Performance Rights
Ms Susan Reisbord	700,222	2,230,368
Mr Jeffrey Forbes	148,619 ¹	-

Michael Alscher and Nathaniel Thomson are nominees of Crescent Capital Partners, which holds 55.8% of Shares at the date of this Notice. Crescent Capital Partners has informed Cardno that it intends to vote in favour of the Transactions in the absence of a superior proposal.

1.7 OTHER MATERIAL INFORMATION

Other than as set out in this Notice of Meeting, and information previously disclosed to Shareholders, there is no information known to the Directors which might reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of the Resolutions set out herein.

1.8 ASX INVOLVEMENT

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

RESOLUTION 2 - RETURN OF CAPITAL TO SHAREHOLDERS

1.1 PROPOSED RETURN OF CAPITAL

(a) Background

In the opinion of the Board, following completion under the Share Purchase Agreements, the Company will have capital in excess of what is needed for the Company's ongoing operations for the foreseeable future.

For that reason, the Company intends to distribute the proceeds from the Transactions (less certain transaction costs and other amounts) to Shareholders by way of a combination of Special Dividend and Capital Return (collectively, the Distribution, as defined above).

The Capital Return will be effected in accordance with sections 256B and 256C of the Corporations Act. The Corporations Act requires the Company to obtain the approval of Shareholders by ordinary resolution for an equal capital reduction in its share capital. Payment of the Special Dividend does not require Shareholder approval.

Subject to:

- Resolution 1 being passed;

¹ Held by Raintree Terraces Pty Ltd as trustee for the Forbes Superannuation Fund.

- completion under the Share Purchase Agreements; and
- exercise of the Board's discretion as to the exact final Distribution described below,

the Board estimates that the total amount of the Distribution will be up to A\$582 million, of which up to A\$222 million will be distributed as an unfranked dividend, and the balance will be distributed as an equal return of capital.

However, the exact amount will be determined by the Board having regard to (without limitation):

- the precise amount of cash available to be distributed to Shareholders after completion of the Transactions;
- the financial circumstances of the Company following completion of the Transactions; and
- the timing of completion of the Transactions.

If the Distribution proceeds, all components of the Distribution are expected to be made to all Shareholders pro rata to the number of Shares which they hold as at 10:00am (Brisbane time) on 13 December 2021 (the **Record Date**). The Record Date is subject to change.

If Resolution 1 is approved and the Transactions are completed but Resolution 2 is not approved, the Board reserves the right to deal with the cash consideration from the Transactions 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, funds will be distributed via cheque or electronic transfer to entitled Shareholders, being registered holders of Shares at the Record Date. 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.

1.2 REASONS FOR THE DISTRIBUTION

(a) Rationale

The purpose of the Distribution is to return to Shareholders as much as possible the proceeds from the Transactions subject to the ongoing requirements of the Company.

(b) Advantages and Disadvantages

The primary advantage in approving the proposed Capital Return is that it will enable the Company to repatriate capital to its Shareholders, which is in excess of its current requirements. Also, as there are no transaction costs for Shareholders, Shareholders participating in the proposed Capital Return will be able to do so without incurring 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 is currently in excess of the Company's requirements. Also, the net cash reserves post-Distribution (following repayment of transaction costs, cash settlement of Performance Rights and all outstanding Company debt) of approximately A\$30.6 million is expected to be sufficient to support the operations of the Cardno group's remaining companies.

1.3 CALCULATION OF THE AMOUNT OF THE DISTRIBUTION

The Company estimates that the total amount available for the Distribution will be up to A\$582 million, of which up to A\$222 million will be distributed as an unfranked dividend, and the balance will be distributed as an equal return of capital. An additional amount of approximately A\$20 million will be used to cash settle Performance Rights and these rights will therefore not vest or participate in the Distribution.

Subject to no other Shares being issued prior to the Record Date, the Company estimates that the Distribution will result in an unfranked dividend of up to A\$0.57 per Share and a return of capital of up to A\$0.92 per Share. Approximately 64% of the unfranked 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 Resolution 2 to this Explanatory Memorandum for more information.

The following table shows how the Company has calculated its estimate of the total amount available for the Distribution, the amount available to be distributed as a dividend and the amount available to be distributed as a return of capital.

Component		A\$'000
Cash balance as reported at 30 June 2021		37,272
Gross proceeds in relation to sale of APAC business	166,667	
Gross proceeds in relation to sale of Americas business	500,000	
	-	666,667
Professional fees, advisor fees, insurance and other transaction costs		(21,676)
Cash settlement of redundancies, closure costs and settlement of other employee liabilities		(6,200)
Sundry other items/ Contingency		(8,000)
Payment in full of Cardno's drawn bank debt		(59,700)
Cash settlement of Performance Rights		(20,297)
Working capital movement since June 21, net of impact of Transactions		(6,100)
Estimated Total Distribution		581,966
Relevant number of shares to participate in the Distribution		390,596
Estimated Total Distribution per Share	\$	1.49
Estimated Dividend per Share	\$	0.57
Estimated Capital Reduction per Share	\$	0.92

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) Other Statutory Requirements

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.

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 reduction, 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 reduction.

Please refer to section 1.5(c) below for further information regarding the impact of the proposed capital reduction 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 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 holds 55.8% of the Shares at the date of this Notice, has informed Cardno that it intends to vote 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

Following implementation of the Capital Return, the Company's share capital is estimated to reduce by approximately \$A360 million.

No Shares will be cancelled in connection with the Capital Return and no fractional entitlements will arise.

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 Performance Rights

The Company currently has on issue 13,113,350 Performance Rights. Subject to Shareholder approval at the AGM, a further 417,944 Performance Rights will be issued in late November to the Managing Director. These performance rights, if they vest, would ordinarily entitle the holder to acquire shares in the Company.

In accordance with the rules of the Company's Long-Term Incentive Plan (under which the Performance Rights are issued) and the ASX Listing Rules, rather than being settled with Shares, the Board has determined that should the Performance Rights vest then they will be cash settled on the following basis:

Cash equivalent of the adjusted number of Shares upon conversion of Performance Rights = A x B

Where:

A = the 5-day volume weighted average share price of the Company as close as possible to immediately prior to the record date for the Capital Reduction

B = the number of Performance Rights held on the record date of the Capital Reduction

(c) 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 full year ended 30 June 2021, assuming that the Transactions have completed, and the Distribution was paid on that date. The pro forma statement of financial position has been derived from the Financial Report of the Company and its controlled entities for the full year ended 30 June 2021, which report has been 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 30 June 2021	Change due to Transactions	Post Transactions, Pre-Distribution as at 30 June 2021	Change due to Distribution	Post Distribution as at 30 June 2021
Total Assets	553.8	121.4	675.2	(582.0)	93.2
Total Liabilities	276.1	(228.5)	47.6	0.0	47.6
Total Equity Interests	277.7	349.9	627.6	(582.0)	45.6

(d) 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.

(e) 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 will receive a payment or benefit of any kind, as a result of the Distribution, other than as a securityholder of the Company.

Refer to section 1.6 of Resolution 1 of this Explanatory Memorandum for information about the number of securities of the Company each Director holds as at the date of this Notice of Meeting.

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.

Capital Return

The Company has applied to the ATO for a class ruling to confirm the Australian tax consequences of the return of capital for Shareholders who hold their Shares on capital account for Australian tax purposes. The following section contains a general description of the Australian tax consequences that arise for Shareholders as a result of the return of capital if the class ruling is issued in accordance with the Company's application.

For Shareholders who are resident of Australia for Australian tax purposes:

- No part of the capital reduction should be treated as a dividend for income tax purposes.
- The cost base of each Share will be reduced by the amount of the return of capital for the purpose of calculating any capital gain or loss on the ultimate disposal of the Share.
- 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 return of capital. 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, no Australian capital gain or loss should arise as a consequence of the return of capital. Non-resident shareholders should seek advice in relation to the specific tax consequences arising from the return of capital under the laws of their country of residence.

Cardno anticipates the class ruling to be issued by the ATO after payment of the Distribution. Cardno will make the final class ruling available on its website as soon as it is issued.

Special Dividend

The Special Dividend will be unfranked, with a portion to be declared to be 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 are of the opinion that the proposed return of capital is fair and reasonable to all Shareholders and **unanimously recommend** that Shareholders vote in favour of Resolution 2.

Each Director intends to vote all Shares held or controlled by that Director in favour of the proposed capital reduction.

The Chairman of the Meeting also intends to vote undirected proxies in favour of Resolution 2.

RESOLUTION 3 – CONSOLIDATION OF ORDINARY SHARES

1.1 BACKGROUND

Resolution 3 seeks the approval of Shareholders for the Company to consolidate its issued capital through the consolidation of every 10 Shares into 1 Share (**Consolidation**). Resolution 3 is proposed as an ordinary resolution. The Consolidation will take effect from the first trading day after completion of the payment to Shareholders of the Distribution.

The Company currently has 390,596,497 Shares and 13,113,350 Performance Rights on issue. Subject to Shareholder approval at the AGM, a further 417,944 Performance Rights will be issued in late November to the Managing Director.

For a company of Cardno's size (post completion of the Transactions), this is a relatively large number of shares to have on issue and subjects the Company to a number of disadvantages including:

- (a) that the Company has a far greater number of Shares on issue than comparable companies, meaning that its share price is lower for reasons other than valuation;
- (b) negative perceptions associated with a low share price; and
- (c) administrative inconvenience.

The Directors believe that the Consolidation of the Shares would assist in eliminating or mitigating these disadvantages and would establish a share price more appropriate for a listed entity of its size following completion of the Transactions.

Immediately after the Consolidation, each Shareholder will still hold the same proportion of the Company's Share capital as before the Consolidation. The current rights attaching to the Shares will not be affected.

1.2 LEGAL REQUIREMENTS

Section 254H of the Corporations Act provides that a company may, by resolution passed at a general meeting, convert all or any of its shares into a larger or smaller number.

Listing Rule 7.20 provides that where an entity proposes to reorganise its capital, it must tell equity security holders:

- (a) the effect of the proposal on the number of securities and the amount unpaid (if any) on the securities;
- (b) the proposed treatment of any fractional entitlements; and
- (c) the proposed treatment of any convertible securities on issue.

Listing Rule 7.21 provides that a listed entity which has convertible securities (except options) on issue may only reorganise its capital if, in respect of the convertible securities, the number of its convertible securities or the conversion price, or both, is reorganised so that the holder of the convertible securities will not receive a benefit that holders of ordinary securities do not receive.

1.3 EFFECT OF THE CONSOLIDATION

If Resolution 3 is passed (and subject to the passing of Resolution 1 and Resolution 2), the Consolidation will take effect on the first trading day after the payment of the Distribution.

The Consolidation will result in the issued capital of the Company being consolidated on the basis of 1 Share for every 10 Shares on issue at 10:00am on the record date for the Consolidation, which is expected to be 24 December 2021 (however, this is subject to change).

Where the Consolidation results in an entitlement to a fraction of a Share, that fraction will be rounded up to the nearest whole number of Shares.

The pro-forma structure of the Company on completion of the Consolidation (based on the number of Shares on issue at the date of this Explanatory Memorandum) is:

Security	Pre-Consolidation	Post-Consolidation
Shares	390,596,497	39,059,650
Performance Rights	13,113,350	-

If any of the Resolutions that are the subject of this Notice of Meeting are not passed, the Company will not be able to proceed with the Consolidation.

1.4 CAPITAL STRUCTURE

As the Consolidation applies equally to all Shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, assuming no other market movements or impacts occur, the Consolidation will have no effect on the percentage interest in the Company of each Shareholder.

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

1.5 HOLDING STATEMENTS

Taking effect from the date of the Consolidation, all existing holding statements will cease to have any effect, except as evidence of entitlement to a number of securities on a post-Consolidation basis. New holding statements will be issued to Shareholders, who are encouraged to check their holdings after the Consolidation.

1.6 TAXATION

No adverse tax consequences are expected to arise for the Company in relation to the Consolidation.

For Shareholders who hold their shares on capital account for Australian tax purposes, no tax event should occur as a result of the Consolidation. The cost base of each consolidated Share should be the sum of the corresponding cost base of each original Share held before the Consolidation. The Shares after Consolidation should have the same date of acquisition for capital gains tax purposes as the Shares held before Consolidation to which they relate.

The commentary above is general in nature and not intended to be comprehensive. Shareholders should seek their own tax advice on the effect of the Consolidation.

1.7 DIRECTORS' RECOMMENDATION AND INTERESTS

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 3.

Each Director who is also a Shareholder and who is not otherwise restricted from voting intends to vote in favour of Resolution 3.

The Chair of the Extraordinary General Meeting intends to vote all undirected proxies in favour of Resolution 3.

Refer to section 1.6 of Resolution 1 of this Explanatory Memorandum for information about the number of securities of the Company each Director holds as at the date of this Notice of Meeting.

Glossary

Cardno Limited ABN 70 108 112 303

AGM	means the annual general meeting of the Company to be held on 26 November 2021.
Annual Report	means the Annual Report of the Company for the year ended 30 June 2021.
Americas Share Purchase Agreement	means the share purchase agreement between the Company and Mustang dated 21 October 2021 relating to the Company's America's business.
APAC Share Purchase Agreement	means the share purchase agreement between the Company and Stantec dated 21 October 2021 relating to the Company's Asia Pacific consulting business.
Associate	has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or a Child Entity of the Company is taken to be an associate of the director or officer unless the contrary is established.
ATO	means the Australian Taxation Office.
Board	means the board of Directors of the Company.
Child Entity	means an entity which is controlled by the Company within the meaning of the Corporations Act or an entity which is a subsidiary of the Company.
Capital Return	means the equal reduction of capital and return to Shareholders of up to A\$0.92 per Share more fully described in Resolution 2.
CFIUS	means the Committee on Foreign Investment in the United States and each member agency thereof acting in such capacity.
CFIUS Approval	<p>means, following the filing of a notice or declaration with CFIUS pursuant to the DPA with respect to the transactions contemplated by the Americas Share Purchase Agreement (the "Transaction"), Mustang and Cardno shall have received written notice from CFIUS stating that:</p> <ul style="list-style-type: none">(a) CFIUS has concluded that the Transaction is not a "covered transaction" and not subject to review under the DPA;(b) CFIUS has concluded all action under the DPA with respect with the Transaction; or(c) CFIUS has sent a report to the President of the United States (President) requesting the President's decision and either:<ul style="list-style-type: none">a. the President has announced a decision not to take any action to suspend, prohibit or place any limitations on the Transaction; orb. the President has not announced a decision to take any action to suspend or prohibit the Transaction within 15 days after the earlier of:<ul style="list-style-type: none">i. the date upon which CFIUS has completed its investigation of the Transaction; orii. the date on which CFIUS has referred the Transaction to the President for action
CGT	means capital gains tax.

Company or Cardno	means Cardno Limited (ABN 70 108 112 303).
Completion	means completion under the Americas Share Purchase Agreement or APAC Share Purchase Agreement, as the context requires.
Consolidation	means the Company's 10:1 share consolidation more fully described in Resolution 3.
Constitution	means the constitution of the Company, as amended from time to time.
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 ATF Crescent Capital Partners Designated Trust VA; (b) CCP Trusco 5 Pty Ltd ATF Crescent Capital Partners Designated Trust VB; (c) CCP Trusco 1 Pty Ltd ATF Crescent Capital Partners Specific Trust VA; (d) CCP Trusco 2 Pty Ltd ATF Crescent Capital Partners Specific Trust VB; (e) CCP Trusco 3 Pty Ltd ATF Crescent V Co-Investor Trust 1; and (f) CCP Trusco 3 Pty Ltd ATF Crescent V Co-Investor Trust 2.
DCSA	means the Defense Counterintelligence and Security Agency of the U.S. Department of Defense.
DCSA Approval	means, if required by DCSA, the entry into a written commitment letter with DCSA to mitigate the foreign ownership, control, or influence over the Business arising as a result of the transactions contemplated by the Americas Share Purchase Agreement.
Directors	means the directors of the Company.
Distribution	means together, the Capital Return and Special Dividend.
DPA	means the <i>Defence Production Act of 1950</i> , as amended.
Explanatory Memorandum	means the explanatory statement accompanying the resolutions contained in this Notice of Meeting.
Financial Report	means the financial report set out in the Annual Report for the year ended 30 June 2021.
General Meeting or Meeting	means the General Meeting convened by this Notice of Meeting.
HSR Act	means the <i>Hart-Scott-Rodino Antitrust Improvements Act of 1976</i> (US), as amended.

IDG Separation	means each of the following has occurred (or as otherwise agreed between Mustang and Cardno in writing): (a) 100% of the shares in Cardno Emerging Markets USA Ltd have been transferred by Cardno Inc. to Cardno Limited; (b) 100% of the shares in Cardno TEC GmbH have been transferred from Cardno UK Limited to Cardno, Inc. (or another group company nominated by Mustang in writing within 5 business days of the date of the Americas Share Purchase Agreement); and (c) each of the arrangements entered into between a group company and an entity in the IDG group has been terminated or otherwise novated to Cardno with no liability for any group company other than the Transitional Services Agreement.
Listing Rules	means the listing rules of the ASX.
Managing Director	means Susan Reisbord.
Mustang	means Mustang Acquisition Holdings Inc.
Notice of Meeting or Notice	this notice of meeting and includes the Explanatory Memorandum.
Performance Rights	means performance rights issued under the Cardno Long-Term Incentive Plan.
Record Date	means that record date for determining entitlements to participate in the Capital Return and to be paid the Special Dividend, which is currently expected to be 13 December 2021.
Share	means a fully paid ordinary share in the capital of the Company.
Share Purchase Agreements	means together, with any such amendments as Cardo may agree with Stantec or Mustang, the Americas Share Purchase Agreement and APAC Share Purchase Agreement.
Shareholder	means a holder of Shares in the Company.
Special Dividend	means the unfranked dividend of up to A\$0.57 per Share more fully described in Resolution 2.
Stantec	means Stantec Australia Pty Ltd (ACN 007 820).
Transactions	means the proposed transactions involving the sale of the Company's Americas and Asia Pacific Consulting businesses in accordance with the terms of the Americas Share Purchase Agreement and APAC Share Purchase Agreement, respectively and ' Transaction ' means the Transaction under the respective Share Purchase Agreement, as the context requires.
Transitional Services Agreement	means the transitional services agreement entered into by the Company, Stantec and Mustang on 21 October 2021.

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://web.lumiagm.com> 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:

Meeting ID

Meeting ID as provided in the Notice of Meeting.

Australian Residents

- > **Username**
(SRN or HIN) and
- > **Password**
(postcode of your registered address).

Overseas Residents

- > **Username**
(SRN or HIN) and
- > **Password**
(three-character country code)
e.g. New Zealand - **NZL**;
United Kingdom - **GBR**;
United States of America - **USA**; Canada - **CAN**.

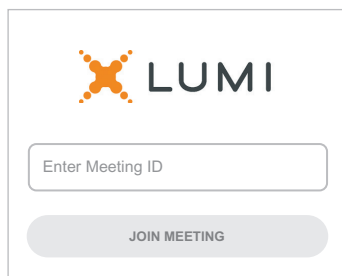
A full list of country codes is provided at the end of this guide.

Appointed Proxies

To receive your unique username and password, please contact Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

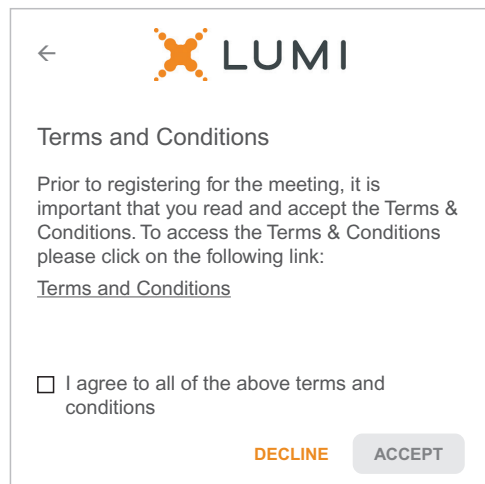
PARTICIPATING AT THE MEETING

- 1 To participate in the meeting, you will be required to enter the unique 9-digit Meeting ID as provided in the Notice of Meeting.



The login screen features the LUMI logo at the top. Below it is a text input field labeled "Enter Meeting ID". At the bottom is a large, rounded button labeled "JOIN MEETING".

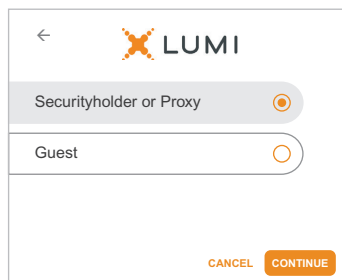
- 2 To proceed into the meeting, you will need to read and accept the Terms and Conditions.



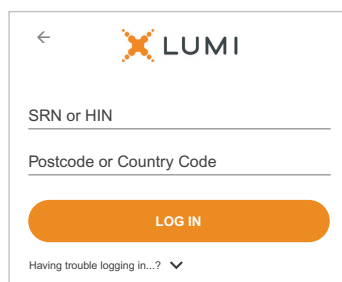
The screen shows the LUMI logo and a back arrow. Below is the heading "Terms and Conditions". The text states: "Prior to registering for the meeting, it is important that you read and accept the Terms & Conditions. To access the Terms & Conditions please click on the following link: [Terms and Conditions](#)". At the bottom, there is a checkbox labeled "I agree to all of the above terms and conditions". To the right of the checkbox are two buttons: "DECLINE" and "ACCEPT".

3 Select the relevant log in option to represent yourself in the meeting.
Note that only Securityholders and Proxies can vote and ask questions in the meeting.

To register as a securityholder, select 'Securityholder or Proxy' and enter your SRN or HIN and Postcode or Country Code.

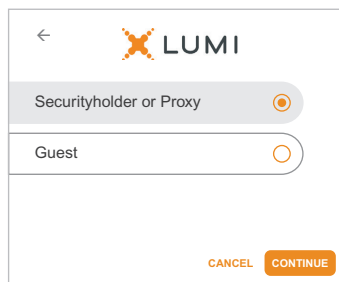


The screenshot shows the LUMI login interface. At the top is a back arrow and the LUMI logo. Below are two radio button options: 'Securityholder or Proxy' (selected) and 'Guest'. At the bottom are 'CANCEL' and 'CONTINUE' buttons.

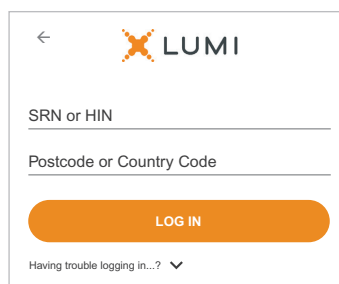


This screenshot shows the next step in the login process for a securityholder. It features input fields for 'SRN or HIN' and 'Postcode or Country Code', a large orange 'LOG IN' button, and a link for 'Having trouble logging in...?' with a dropdown arrow.

OR To register as a proxyholder, select 'Securityholder or Proxy' and you will need your username and password as provided by Computershare. In the 'SRN or HIN' field enter your username and in the 'Postcode or Country Code' field enter your password.

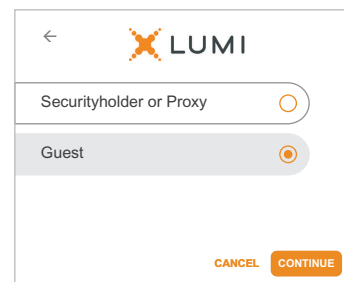


This screenshot is identical to the one above, showing the initial selection of 'Securityholder or Proxy' on the LUMI login screen.

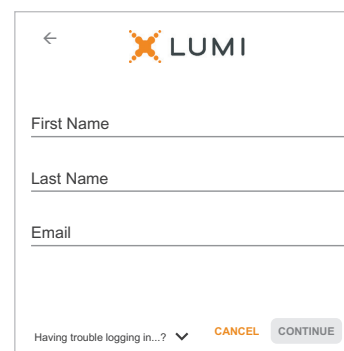


This screenshot is identical to the one above, showing the next step in the login process for a securityholder with input fields for 'SRN or HIN' and 'Postcode or Country Code'.

OR To register as a guest, select 'Guest' and enter your name and email address.

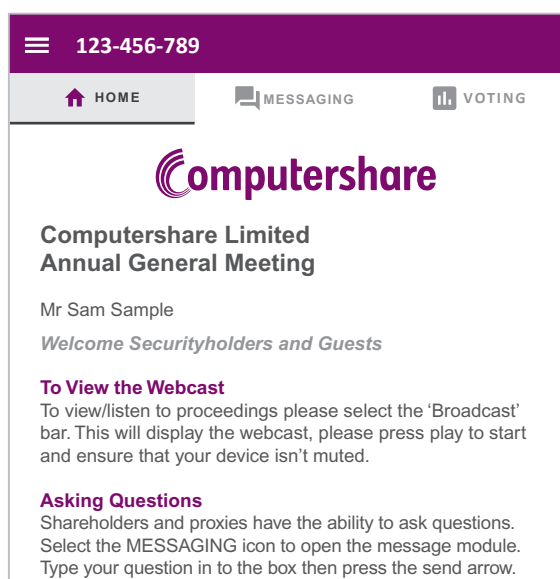


The screenshot shows the LUMI login interface with the 'Guest' radio button selected. It includes 'CANCEL' and 'CONTINUE' buttons at the bottom.



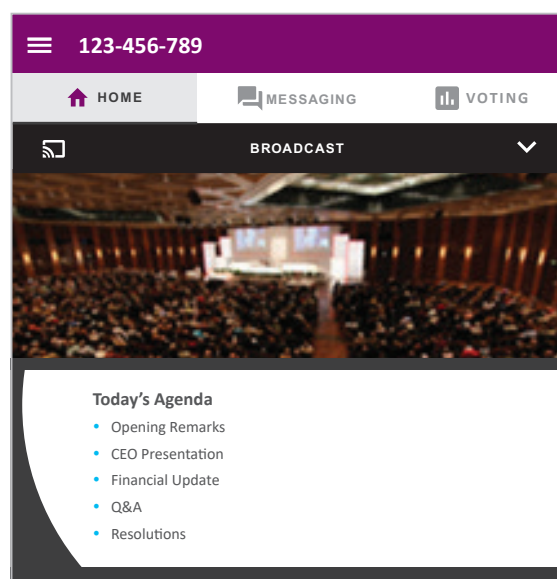
This screenshot shows the next step for guest registration, with input fields for 'First Name', 'Last Name', and 'Email'. It also includes a 'LOG IN' button and a link for 'Having trouble logging in...?'.

4 Once logged in, you will see the home page, which displays the meeting title and name of the registered securityholder or nominated proxy.





The screenshot shows the home page of the Computershare LUMI app. The top navigation bar includes a menu icon, the phone number '123-456-789', and tabs for 'HOME' (selected), 'MESSAGING', and 'VOTING'. The main content area displays the Computershare logo, the meeting title 'Computershare Limited Annual General Meeting', the user name 'Mr Sam Sample', and a welcome message. Below this is a section titled 'To View the Webcast' with instructions, and another section titled 'Asking Questions' with instructions.

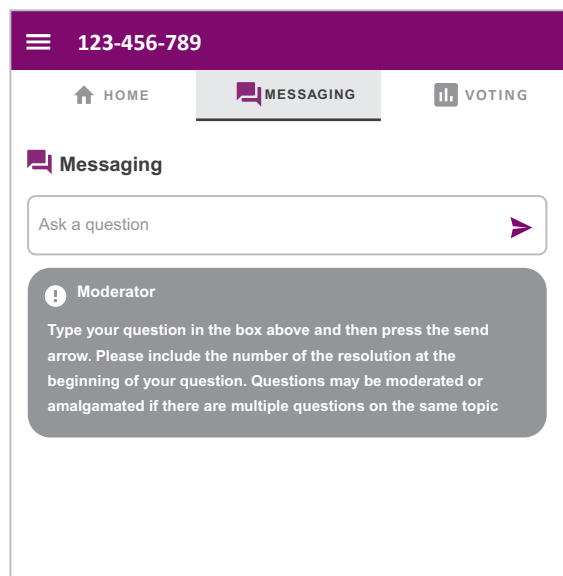
5 To view the webcast you must tap the broadcast arrow on your screen and press the play button. Click the arrow to switch between screens.




This screenshot is identical to the one above, showing the home page of the Computershare LUMI app. The top navigation bar includes a menu icon, the phone number '123-456-789', and tabs for 'HOME' (selected), 'MESSAGING', and 'VOTING'. The main content area displays the Computershare logo, the meeting title 'Computershare Limited Annual General Meeting', the user name 'Mr Sam Sample', and a welcome message. Below this is a section titled 'To View the Webcast' with instructions, and another section titled 'Asking Questions' with instructions.

6 To ask a question tap on the question icon , type your question in the chat box at the top of the screen and select the send icon. Confirmation that your message has been received will appear.

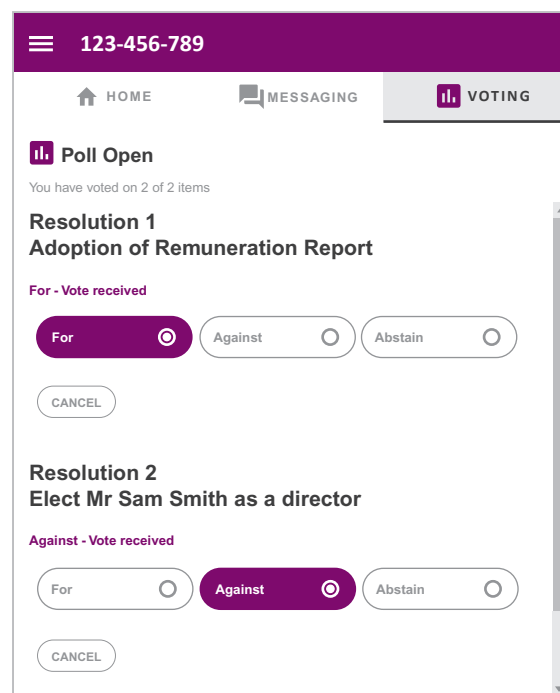
To ask a question verbally follow the instructions on the home page  of the virtual meeting platform.







7 When the Chair declares the poll open:

- > A voting icon  will appear on screen and the meeting resolutions will be displayed
- > To vote, select one of the voting options. Your response will be highlighted
- > To change your vote, simply select a different option to override

The number of items you have voted on or are yet to vote on, is displayed at the top of the screen. Votes may be changed up to the time the Chair closes the poll.



Icon descriptions

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

FOR ASSISTANCE

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

COUNTRY CODES

Select your country code from the list below and enter it into the password field.

ABW ARUBA	ECU ECUADOR	LIE LIECHTENSTEIN	SEN SENEGAL
AFG AFGHANISTAN	EGY EGYPT	LKA SRI LANKA	SGP SINGAPORE
AGO ANGOLA	ERI ERITREA	LSO LESOTHO	SGS STH GEORGIA & STH SANDWICH ISL
AIA ANGUILLA	ESH WESTERN SAHARA	LTU LITHUANIA	SHN ST HELENA
ALA ALAND ISLANDS	ESP SPAIN	LUX LUXEMBOURG	SJM SVALBARD & JAN MAYEN
ALB ALBANIA	EST ESTONIA	LVA LATVIA	SLB SOLOMON ISLANDS
AND ANDORRA	ETH ETHIOPIA	MAC MACAO	SLE SIERRA LEONE
ANT NETHERLANDS ANTILLES	FIN FINLAND	MAF ST MARTIN	SLV EL SALVADOR
ARE UNITED ARAB EMIRATES	FJI FIJI	MAR MOROCCO	SMR SAN MARINO
ARG ARGENTINA	FLK FALKLAND ISLANDS (MALVINAS)	MCO MONACO	SOM SOMALIA
ARM ARMENIA	FRA FRANCE	MDA MOLDOVA REPUBLIC OF	SPM ST PIERRE AND MIQUELON
ASM AMERICAN SAMOA	FRO FAROE ISLANDS	MDG MADAGASCAR	SRB SERBIA
ATA ANTARCTICA	FSM MICRONESIA	MDV MALDIVES	STP SAO TOME AND PRINCIPE
ATF FRENCH SOUTHERN TERRITORIES	GAB GABON	MEX MEXICO	SUR SURINAME
ATG ANTIGUA AND BARBUDA	GBR UNITED KINGDOM	MHL MARSHALL ISLANDS	SVK SLOVAKIA
AUS AUSTRALIA	GEO GEORGIA	MKD MACEDONIA FORMER YUGOSLAV REP	SVN SLOVENIA
AUT AUSTRIA	GGY GUERNSEY	MLI MALI	SWE SWEDEN
AZE AZERBAIJAN	GHA GHANA	MLT MALTA	SWZ SWAZILAND
BDI BURUNDI	GIB GIBRALTAR	MMR MYANMAR	SYC SEYCHELLES
BEL BELGIUM	GIN GUINEA	MNE MONTENEGRO	SYR SYRIAN ARAB REPUBLIC
BEN BENIN	GLP GUADELOUPE	MNG MONGOLIA	TCA TURKS AND CAICOS ISLANDS
BFA BURKINA FASO	GMB GAMBIA	MNP NORTHERN MARIANA ISLANDS	TCO CHAD
BGD BANGLADESH	GNB GUINEA-BISSAU	MOZ MOZAMBIQUE	TGO TOGO
BGR BULGARIA	GNQ EQUATORIAL GUINEA	MRT MAURITANIA	THA THAILAND
BHR BAHRAIN	GRC GREECE	MSR MONTSERRAT	TJK TAJIKISTAN
BHS BAHAMAS	GRD GRENADA	MTQ MARTINIQUE	TKL TOKELAU
BIH BOSNIA & HERZEGOVINA	GRL GREENLAND	MUS MAURITIUS	TKM TURKMENISTAN
BLM ST BARTHELEMY	GTM GUATEMALA	MWI MALAWI	TLS EAST TIMOR DEMOCRATIC REP OF
BLR BELARUS	GUF FRENCH GUIANA	MYS MALAYSIA	TMP EAST TIMOR
BLZ BELIZE	GUM GUAM	MYT MAYOTTE	TON TONGA
BMU BERMUDA	GUY GUYANA	NAM NAMIBIA	TTO TRINIDAD & TOBAGO
BOL BOLIVIA	HKG HONG KONG	NCL NEW CALEDONIA	TUN TUNISIA
BRA BRAZIL	HMD HEARD AND MCDONALD ISLANDS	NER NIGER	TUR TURKEY
BRB BARBADOS	HND HONDURAS	NFK NORFOLK ISLAND	TUV TUVALU
BRN BRUNEI DARUSSALAM	HRV CROATIA	NGA NIGERIA	TWN TAIWAN
BTN BHUTAN	HTI HAITI	NIC NICARAGUA	TZA TANZANIA UNITED REPUBLIC OF
BUR BURMA	HUN HUNGARY	NIU NIUE	UGA UGANDA
BVT BOUVET ISLAND	IDN INDONESIA	NLD NETHERLANDS	UKR UKRAINE
BWA BOTSWANA	IMN ISLE OF MAN	NOR NORWAY	UMI UNITED STATES MINOR OUTLYING
CAF CENTRAL AFRICAN REPUBLIC	IND INDIA	NPL NEPAL	URY URUGUAY
CAN CANADA	IOT BRITISH INDIAN OCEAN TERRITORY	NRU NAURU	USA UNITED STATES OF AMERICA
CCK COCOS (KEELING) ISLANDS	IRL IRELAND	NZL NEW ZEALAND	UZB UZBEKISTAN
CHE SWITZERLAND	IRN IRAN ISLAMIC REPUBLIC OF	OMN OMAN	VAT HOLY SEE (VATICAN CITY STATE)
CHL CHILE	IRQ IRAQ	PAK PAKISTAN	VCT ST VINCENT & THE GRENADINES
CHN CHINA	ISL ICELAND	PAN PANAMA	VEN VENEZUELA
CIV COTE D'IVOIRE	ISM BRITISH ISLES	PCN PITCAIRN ISLANDS	VGB BRITISH VIRGIN ISLANDS
CMR CAMEROON	ISR ISRAEL	PER PERU	VIR US VIRGIN ISLANDS
COD CONGO DEMOCRATIC REPUBLIC OF	ITA ITALY	PHL PHILIPPINES	VNM VIETNAM
COG CONGO PEOPLES REPUBLIC OF	JAM JAMAICA	PLW PALAU	VUT VANUATU
COK COOK ISLANDS	JER JERSEY	PNG PAPUA NEW GUINEA	WLF WALLIS AND FUTUNA
COL COLOMBIA	JOR JORDAN	POL POLAND	WSM SAMOA
COM COMOROS	JPN JAPAN	PRI PUERTO RICO	YEM YEMEN
CPV CAPE VERDE	KAZ KAZAKHSTAN	PRK KOREA DEM PEOPLES REPUBLIC OF	YMD YEMEN DEMOCRATIC
CRI COSTA RICA	KEN KENYA	PRT PORTUGAL	YUG YUGOSLAVIA SOCIALIST FED REP
CUB CUBA	KGZ KYRGYZSTAN	PRY PARAGUAY	ZAF SOUTH AFRICA
CXR CHRISTMAS ISLAND	KHM CAMBODIA	PSE PALESTINIAN TERRITORY OCCUPIED	ZAR ZAIRE
CYM CAYMAN ISLANDS	KIR KIRIBATI	PYF FRENCH POLYNESIA	ZMB ZAMBIA
CYP CYPRUS	KNA ST KITTS AND NEVIS	QAT QATAR	ZWE ZIMBABWE
CZE CZECH REPUBLIC	KOR KOREA REPUBLIC OF	REU REUNION	
DEU GERMANY	KWT KUWAIT	ROU ROMANIA	
DJI DJIBOUTI	LAO LAO PDR	RUS RUSSIAN FEDERATION	
DMA DOMINICA	LBN LEBANON	RWA RWANDA	
DNK DENMARK	LBR LIBERIA	SAU SAUDI ARABIA KINGDOM OF	
DOM DOMINICAN REPUBLIC	LBY LIBYAN ARAB JAMAHIRIYA	SCG SERBIA AND MONTENEGRO	
DZA ALGERIA	LCA ST LUCIA	SDN SUDAN	

Annexure B – Proxy Form



Cardno Limited
ABN 70 108 112 303

Need assistance?



Phone:
1300 552 270 (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 (Brisbane time) on Wednesday, 1 December 2021.**

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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder 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:

Online:

Lodge your vote 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: 186309

SRN/HIN:

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.

☐ **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.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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 at <https://web.lumiagm.com/327063152> on Friday, 3 December 2021 at 10:00am AEST (Brisbane time) and at any adjournment or postponement of that meeting.

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
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"/>
Resolution 3 CONSOLIDATION OF ORDINARY SHARES	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 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