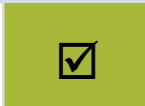




## Corporate Governance Statement FY2023



The Board of Cardno Limited believes that the success of the Cardno business is strengthened by implementing clearly articulated policies to enhance accountability, efficiency and the reliable measurement of performance.

The governance measures adopted by the Board reflect the Board's endorsement of the recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations, 4th edition, referred to as "**the Principles**". This Corporate Governance Statement discloses the extent to which Cardno meets the Principles and if it does not, why not. The commentary addresses the reasons for any departure from the requirements and the following legend has been used to summarise the status of Cardno's compliance with the Principles:

Cardno practices meet the Principle	
Cardno is working towards meeting the Principle	
Cardno no longer meets the Principle given its current size whilst the company considers its next steps	





## PRINCIPLE 1 – Lay solid foundations for management and oversight

1.1	The Board has outlined in its charter, its roles and responsibilities. The Board delegates to the senior management team, responsibility for the implementation of Cardno’s corporate strategy, its business plans and the day-to-day management of its operations.	<input checked="" type="checkbox"/>
1.2	Appropriate checks have been carried out on all Board members prior to their appointment. The Company provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director at general meetings.	<input checked="" type="checkbox"/>
1.3	All Directors and senior executives have a written agreement with the Company setting out the terms of their appointment.	<input checked="" type="checkbox"/>
1.4	The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board and this is specifically outlined in both the position description for that role and under the Board Charter.	<input checked="" type="checkbox"/>
1.5	<p>The Company is committed to ensuring an inclusive workplace that encourages and embraces diversity. The Company has a Diversity Policy which provides a framework for the Company to achieve workplace diversity and includes requirements for the Board to set measurable objectives.</p> <p>The Diversity Policy is available on the Company’s website.</p> <p>The current Board has not established measurable targets for achieving gender diversity across the Company.</p> <p>The respective proportions of men and women on the Board, in senior executive positions and across the Company have not been reported due to the changes to and significant downsizing of staff numbers in 2022 following the sales of the Company’s Asia Pacific and Americas consulting divisions in December 2021, and the International Development business in June 2022. Currently there are no permanent Head office employees in the Company.</p>	◆
1.6	<p>At regular intervals the Board reviews and evaluates its performance against its role, corporate governance policies, and agreed goals and objectives.</p> <p>Given the current size and nature of the Company’s operations, the Company has not undertaken performance evaluations within the reporting period ending 30 June 2023.</p>	◆
1.7	<p>Performance reviews for senior executives take place at least annually and occurred within this reporting period. The Remuneration Committee has responsibility under the charter to oversee these reviews. The Company aims to ensure the appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.</p> <p>Given the current size and nature of the Company’s operations, the Company has not undertaken performance evaluations within the reporting period ending 30 June 2023. Currently there are no permanent Head office employees in the Company.</p>	◆


## PRINCIPLE 2 – Structure the Board to be effective and add value

2.1	<p>There is no nomination committee separate to the full Board. The role of the nomination committee is undertaken by the full Board. The Board considers that this arrangement appropriate at present given the current size of the board.</p>	◆
2.2	<p>Directors with the desired skills and expertise are carefully selected for appointment to the Board. In particular, the Board considers the skills and expertise required to complement the existing Directors and the needs of the Cardno business. The strengths, weaknesses and skills of the current Directors have been identified and are considered when making new appointments to the Board. The skills and capabilities of directors are set out in the 2023 Annual Report.</p> <p>The Board Skills Matrix is as appended.</p>	☑
2.3 & 2.4	<p>The Company discloses Director independence including in its Annual Report.</p> <p>The Board comprises of three directors:</p> <p style="padding-left: 40px;">Michael Alscher (Non-Independent) – appointed 06 November 2015; Nathaniel Thompson (Non-Independent) – appointed 24 May 2016; and Jeff Forbes – (Independent) - appointed 27 January 2016.</p> <p>Accordingly, the Board does not presently consist of a majority of independent directors. The Board recognizes and relies on the Directors' collective experience, expertise, skills, qualifications and contacts relevant to the business of the Company to discharge its obligations and for those non-independent directors to exercise independent judgement.</p> <p>The Board considers the current size and structure of the Board appropriate to the current size and requirements of the Company's operations.</p>	◆
2.5	<p>Currently the Chair, Mr Alscher is not an independent Director due to his association with Crescent Capital, a majority shareholder of Cardno. The Board considers it appropriate for Mr Alscher to act as the Chair given Crescent Capital's majority shareholding.</p>	◆
2.6	<p>All Non-Executive and Executive Directors have had an extensive induction into the business of the Company prior to accepting their appointment and have received continuing information on the Company and its operations since being appointed. Directors are also given access to continuing education in relation to the Company extending to its business, the industry in which it operates, and other information required by them to discharge the responsibilities of their office.</p>	☑

### PRINCIPLE 3 – Instill a culture of acting lawfully, ethically and responsibly

3.1	<p>Cardno has committed to a set of core values that guides the results we achieve and shapes how we deliver them. Everyone at Cardno shares our four core values and their underpinning beliefs:</p> <p>Safety: creating a safe environment for our people, clients and the communities we impact should always come first.</p> <p>Integrity: knowing and doing the right thing will lead to satisfied employees, clients, investors and better financial performance.</p> <p>People: what’s good for our people, communities and the world we live in, can be good for business.</p> <p>Excellence: the delivery of high-quality services creates value for clients, communities and investors.</p>	
3.2	<p>Cardno has adopted a code of conduct for its directors, senior executives and employees, a copy of which is available on the Company’s website.</p>	
3.3	<p>Cardno has adopted a Whistleblower policy, a copy of which is available on the Company’s website.</p> <p>Due to the current size of the business the Board has direct access to management and will become any aware of material incidents.</p>	
3.4	<p>Cardno has adopted an Anti-bribery and Corruption policy, a copy of which is available on the Company’s website.</p> <p>Management certifications are required half-yearly from the operating and finance leaders certifying to following company policy and reporting to ARCC any non-compliance. There certifications are received prior to finalization of the Half Yearly and Annual Reports.</p>	

### PRINCIPLE 4 – Safeguard the integrity of corporate reports

4.1	<p>The Board has established an audit, risk and compliance committee (ARCC). The ARCC is comprised of Non-executive and Executive Directors. Its composition being:</p> <ul style="list-style-type: none"> <li>&gt; Jeff Forbes (Chair, Independent Non-executive Director)</li> <li>&gt; Michael Alscher (Non-executive Director)</li> <li>&gt; Nathaniel Thomson (Executive Director)</li> </ul> <p>The 2023 Annual Report provides information on the number of times the committee met throughout the period and individual attendances of the members.</p> <p>The qualifications of the members of the ARCC are set out in the Board of Directors’ section of the 2023 Annual Report. A copy of the ARCC’s charter is available on the Company’s website.</p>	
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4.2	The Board of Cardno requires declarations and management representations in respect of the financial records and information of the business from management and the CFO prior to approving both the half-year and full-year results.	☑
4.3	Cardno's external auditor will be requested to attend the AGM and make themselves available to answer questions from security holders relevant to the audit.	☑

## PRINCIPLE 5 – Make timely and balanced disclosure




5.1	The Board has established a written continuous disclosure policy, a copy of which is available on the Company's website, to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for compliance.	☑
5.2	Cardno's Company Secretary ensures that the Board receives copies of all material market announcements promptly after they have been made.	☑
5.3	All new and substantive investor or analyst presentations are released to the ASX Market Announcements Platform ahead of the presentation.	☑

## PRINCIPLE 6 – Respect the rights of security holders

6.1	Cardno's website contains an easily located link to shareholder information, including corporate governance information such as details of directors and senior executives, its constitution, its board charter, charters of each of its board committees and corporate governance policies. The website also links to copies of Cardno's annual reports and financial statements, announcements to the ASX, notices of meetings and webcasts. The website is a key communication tool between the Company and its shareholders. <a href="https://cddho.com.au">https://cddho.com.au</a>	☑
6.2	Cardno's investor relations program seeks to facilitate effective two-way communication with investors and a conscious effort is made to meet with investors during the year and particularly after the release of the half and full year results.	☑
6.3	The Board recognises the important rights of shareholders and strives to communicate with shareholders regularly and clearly. The Board has adopted a Shareholder Communications Policy and provides shareholders with the opportunity to participate in shareholder meetings and to have questions addressed irrespective of whether the shareholder is able to attend.	☑
6.4	All shareholders of Cardno are provided substantive resolutions at the Annual General Meeting and decided by a poll rather than by a show of hands.	☑
6.5	All shareholders of Cardno are able to communicate with the Company and its share registry electronically and in fact this method of communication is encouraged.	☑

7.1	<p>The Board has established a combined audit, risk and compliance committee (ARCC). The ARCC is comprised only of Non- executive and Executive Directors. The composition is set out under principle 4.1 above. Details of qualifications of the members of the ARCC are set out in their biographies under Board of Directors in the Company’s annual financial statements. A copy of the ARCC’s charter is on the Company’s website.</p>	<input checked="" type="checkbox"/>
7.2	<p>Cardno has established an enterprise risk management framework for the Cardno Group, that seeks to ensure enterprise risks are identified, assessed and managed. The Board has appointed the ARCC to assist it with discharging its oversight function in respect of enterprise risks and to determine if the system of risk management is sound. The ARCC recognises that the enterprise risk framework will continue to mature and is satisfied that it is operating effectively and that management, the committee and the Board are clear on their roles and responsibilities in managing and mitigating risks.</p> <p>A copy of Cardno’s enterprise risk management policy can be found on the Company’s website.</p> <p>Given the current size and the nature of the operations, ARCC did not review the framework in FY2023.</p>	<input checked="" type="checkbox"/>
7.3	<p>The Company does not have an internal audit function.</p> <p>The Audit and Risk Committee is responsible for reviewing at least annually the effectiveness of the Company’s risk management and internal control systems and make relevant recommendations to the Board.</p> <p>In discharging its duties, the Committee has unrestricted access to all staff and to the Company’s auditors, to seek information and explanations from them. The Committee proactively makes recommendations to the Board in relation to the outputs of the financial reporting and disclosure processes and with respect to risk management and internal control.</p>	<input checked="" type="checkbox"/>
7.4	<p>As a listed global organisation Cardno is exposed to economic sustainability risks including exposure to the Australian and Latam economies, plus market sectors such as commodity prices and infrastructure development. Cardno has historically sought to mitigate these risks through its business diversity and the strategic and operational actions of Board and management.</p> <p>With regards to the Social Sustainability of Cardno, the organisation has a Code of Conduct, Whistle Blower hotline, Anti-bribery training, Fraud Awareness training and the continued and ongoing investment in Global Health and Safety initiatives.</p> <p>Cardno regards its exposure to environmental sustainability risks as low.</p>	<input checked="" type="checkbox"/>

## PRINCIPLE 8 – Remunerate fairly and responsibly

8.1	Cardno’s Board has determined that all the functions of the Nominations and Remuneration Committee would be managed by the Board and that the Remuneration Committee would be dissolved. The Board believes that all Board members’ experience, views and perspectives should be leveraged through full participation in the Board’s nominations and remuneration processes and discussions	
8.2	Remuneration of Executive and Non-executive Directors is reviewed annually by the Board, considering external benchmarking. The current remuneration of Directors is noted in the Annual Report  There are no Key Management Personnel (KMP) who are not directors of the Company.	
8.3	Cardno’s Dealing in Cardno Stock Group Mandatory Requirement specifically prohibits any Director, Senior Manager, financial services employee or employee from transacting in short selling, trading in products which limit the risk associated with the holding of unvested securities or profiting from trading in securities which decrease in market value.	

The professional and industry based skill areas which need to be held collectively by the board of the company are outlined below.

PROFESSIONAL SKILL AREAS			NUMBER OF DIRECTORS CURRENTLY AT THE FOLLOWING SKILL LEVELS		
			FOUNDATIONAL	COMPETENT	EXPERT
1	Strategy	The ability to think strategically and identify and critically assess opportunities and threats and develop effective plans in the context of the objectives of the Company and relevant policies and priorities.			3
2	Policy development	The ability to identify key issues for the Company and develop appropriate policies, including policies to ensure compliance with laws and regulations, to define the parameters within which the Company should operate.			3
3	Financial performance / Accounting	Professional qualifications and/or experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> <li>&gt; analyse key financial statements;</li> <li>&gt; critically assess financial viability and performance;</li> <li>&gt; contribute to strategic financial planning;</li> <li>&gt; oversee budgets and the efficient use of resources; and</li> <li>&gt; accountability.</li> </ul>			3
4	Treasury, finance and funding	Professional qualifications and/or experience in treasury, corporate finance and/or funding and the ability to oversee treasury and funding arrangements.			3
5	Risk and compliance oversight	The ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems.			3
6	Corporate governance	Knowledge of and experience in best practice corporate governance structures, policies and processes, and an ability to balance them appropriately with the current corporate governance framework of the Company.			3
7	Executive management	Experience at an executive level including the ability to: <ul style="list-style-type: none"> <li>&gt; appoint and evaluate the performance of the CEO and senior executive managers;</li> <li>&gt; oversee strategic human resource management including succession planning, workforce planning, and employee and industrial relations; and</li> <li>&gt; oversee large scale organisational change.</li> </ul>		1	2
8	Commercial experience	A broad range of commercial/business experience, in areas including communications, marketing and business systems, practices, development and continuous improvement.			3
9	Mergers and acquisitions	Experience in the identification, assessment, valuation, negotiation and integration of mergers, acquisitions and joint ventures.			3
10	Government / Regulator	Experience in dealing with governments, government departments and regulatory bodies.		2	1
11	Legal	Experience in corporate and commercial law, in particular in relation to major contracts.		2	1
12	Talent Management	Experience in strategic talent management, develop in performance service.		2	1
13	Remuneration	Experience in Remuneration structures in listed and professional services firms.			3
14	Investor relations and stakeholder management	Experience in dealing with and presenting to institutional, retail investors and proxy advisors.			3
15	IT Systems, process improvement / change management	Experience of implementing global IT system and process for business improvement.		2	1



INDUSTRY SKILL AREAS			NUMBER OF DIRECTORS CURRENTLY AT THE FOLLOWING SKILL LEVELS		
			FOUNDATIONAL	COMPETENT	EXPERT
16	Infrastructure and major project delivery	Understanding of the regulatory and business issues relevant to development, operation of infrastructure assets and major projects.		1	2
17	Engineering	Understanding the engineering and environmental consultancy framework, demand characteristics and participants in a global business.	2		1
18	Commercial and Corporate	Understanding of the corporate and business framework and commercial demands and characteristics and participants in the global consultancy and professional services contracting.			3
19	Financial debt and equity capital	Understanding of the regulatory framework, practical considerations and market practices in relation to the acquisition and funding of merger and acquisition program.			3