Cardno®
Shaping the Future

# FY16

## ANNUAL GENERAL MEETING

27 October 2016

Michael Alscher, Chairman

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# CHAIRMAN'S ADDRESS

Michael Alscher,
Chairman

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> **FY16 Year in Review – Structure**

> FY16 Year in Review – Financial

> Outlook

> Key Q & A's

# FY16 Year in Review



It has been a tumultuous year. Shortly after the partial takeover by Crescent Capital Partners in November 2015 a number of key issues came to light which have all impacted the financial performance of the company.

> Operating performance had materially deteriorated through CY15.

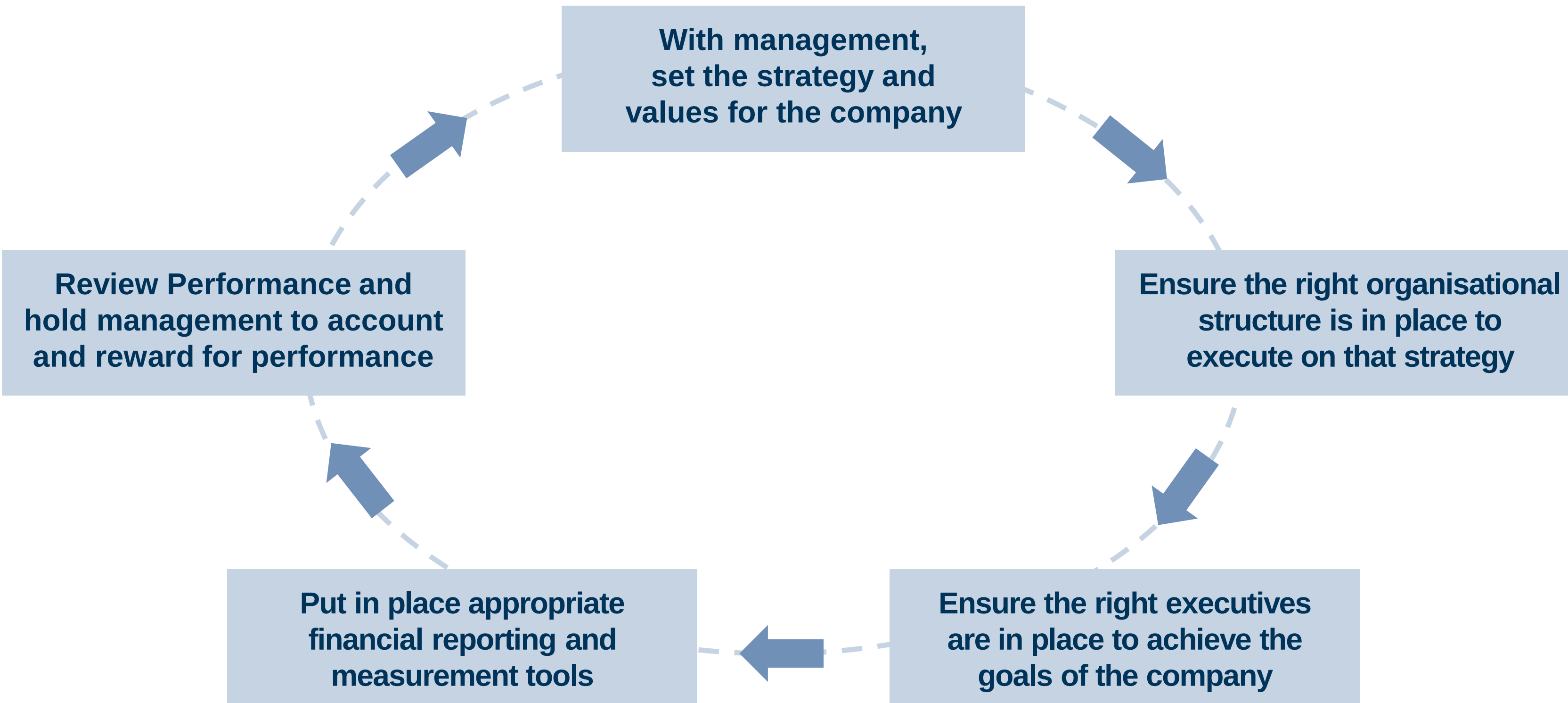
> The IT integration and HR Systems implementation programs to move the company onto a common platform were a failure in delivering on expectations and materially over budget.

> The creation of a Central Business Services function in the US had failed to create a cost efficient, streamlined back office. Instead the program had led to a duplication of resources, a loss of empowerment at a divisional level and a loss of transparency in financial reporting in the US.

> An apparent inability to understand the problems at a group senior management and Board level led to a further compounding of the situation.

# FY16 Year in Review

The question you may ask is how did a perfectly good business suddenly find itself underperforming to such an extent. The reasons for this are relatively simple, the role of a Board is really around five key areas:



# FY16 Year in Review



## When you look at Cardno, the company fell down on all these key areas

**Set the strategy and values for the company**

- The company had embarked on a series of "off strategy" acquisitions which were not consistent with its core operations.
- It's desire to grow quickly led to poor decisions and acquisitions in cyclical industries where the company had no experience which were funded by debt thereby increasing the financial risk to shareholders.
- Limited strategic thought as to how to integrate the acquisitions being made in the US.

**Ensure the right organisation structure is in place to execute on that strategy**

- As the company had no real strategy or common values the attempt to set up a global organisation with centralised functions removed accountability and the ability of operating management teams to respond to issues affecting their business

**Ensure the right executive are in place to achieve the goals of the company**

- As the business grew the abilities and competence of the global executive team did not match the needs of the organisation
- The business remained Brisbane centric at a Board and senior management level which no longer reflected the geographic breadth of the organisation.

**Put in place appropriate financial reporting and measurement tools**

- The financial reporting structure did not keep pace with the growth of the organisation and financial visibility decreased.
- The large amount of centrally allocated costs made it extremely difficult to manage the cost base and drive change as markets declined
- IT implementation program in US made this worse.

**Review performance and hold management to account and reward for performance**

- Senior management were not held to account and middle level management were disempowered by centralisation
- STI measures were unclear as to achievement, payment or lack of achievement.

# FY16 Year in Review



## So where are we today?

> We have a great organisation with many very dedicated employees who are leaders in their fields who do great work for our clients – this remains very much intact.

> As an organisation we have to support them and enable them to execute.

> We have to go back to basics and create an infrastructure which supports, rewards, invests and holds to account our teams on behalf of our clients, shareholders and staff.

> As a board our contract with staff is to get back to this framework as quickly as possible and that is this Board's goal:

- Clear responsibilities
- Empowerment
- Support our staff to execute for clients
- Clear financial incentives.

# FY16 Year in Review

## When we look at where we are making change. It's across the board.

**With management, set the strategy and values for the company**

- Revise strategy as to "what is Cardno" going forward
- Set clear parameters as to growth expectations (organic plus acquisition)
- Refocus on organic over acquisition led growth

**Ensure the right organisational structure is in place to execute on that strategy**

- Revised structure to enable effective execution

**Ensure the right executives are in place to achieve the goals of the company**

- Reset leadership team and make sure it is capable of execution - changes underway

**Put in place appropriate financial reporting and measurement tools**

- New reporting systems being implemented which includes new Board and company reporting including KPI measurement

**Review Performance and hold management to account and reward for performance**

- New STI and LTI plans introduced across the company with clear financial goals in place
- Bottom up budgets in place

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> FY16 Year in Review – Structure

> **FY16 Year in Review – Financial**

> Outlook

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# FY16 Performance Highlights



### Net Loss after Tax of $194.9 million

> Non-cash impairment charge of $178.2 million reflecting performance issues and the impacts from the sale of the Cardno ATC (ATC) and PPI ECS (ECS) operations in the USA

### Full Year EBITDA from continuing operations of $42.3 million

> Above May Prospectus forecast EBITDA of $41.9m

> EBITDA down 62.2% from FY15 EBITDA of $111.9m

> Net cash from operating activities of $56.4m (up from $48.1m in FY15)

> Backlog remains at almost 12 months of revenue

> All financial covenants met

### Business remains challenging

> In Asia Pacific, overall performance was satisfactory however, Cardno continues to face some headwinds as the Australian economy resets away from a resources led investment boom to a public infrastructure led recovery which is slower in appearing

> In the Americas, performance was poor in part due to pressures from the Oil & Gas price declines, Mining sector issues and issues in the Latin America division. Public infrastructure expenditure still to pick up

**FY16 A$ million**

| | Reported | Percent change year on year |
|---|---|---|
| Gross Revenue | $1,196.5m | ▲ 0.9% |
| Fee Revenue | $809.2m | ▼ 5.3% |
| EBITDA | $42.3m | ▼ 62.2% |
| Net Operating Profit after Tax | $7.5m(1) | ▼ 86.3% |
| Net Profit after Tax | ($194.9m)(2) | ▲ 20.5% |
| Backlog | $803.2m | ▼ 5.7% |
| Net Cash Flow from Operations | $56.4m | ▲ 17.3% |

*(1) Net Operating Profit after Tax, is a non-IFRS term which reflects the operating position of the business prior to impairment adjustments. A reconciliation of NPAT to NOPAT has been prepared and is shown on slide 11*

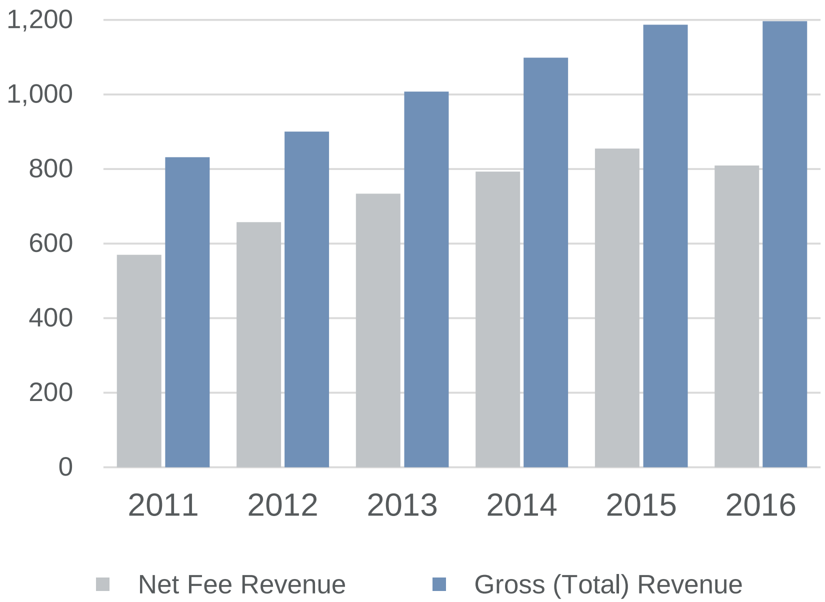
*(2) Net Loss after Tax of $194.9 million. In November 2015, Cardno sold Cardno ATC and in March 2016, Cardno sold PPI ECS in the US. The Net Loss after Tax reflects the reported losses of these operations combined with the associated non-cash impairment charge*

# Revenue and Profit



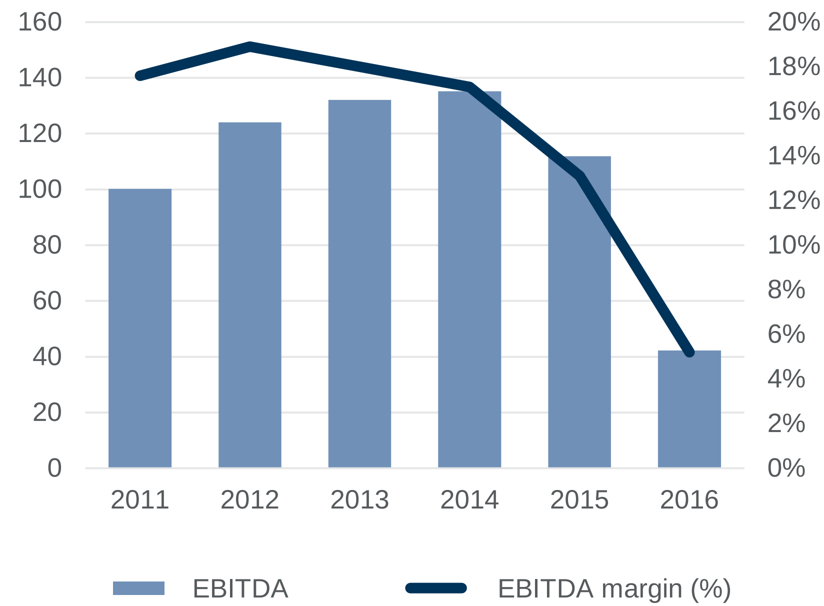
## GROUP REVENUE

A$ million




## EBITDA AND EBITDA MARGIN

A$ million




> Full year Group Revenue up 0.9% due to the devaluation of the Australian dollar

> Net Fee Revenue down 5.3% due primarily to negative organic growth in Americas which was partially offset by devaluation of the Australian dollar

> EBITDA of $42.3m down on prior year 62.2%

> Performance issues primarily related to issues in the Americas with significant declines in Oil & Gas, Mining and Latin America sectors

# 2016 Financial Overview

Cardno

| (A$ Millions) | 2015 1H15 | 2015 2H15 | 2015 FY(1) | 2016 1H16 | 2016 2H16 | 2016 FY | Change % |
|---|---|---|---|---|---|---|---|
| Total revenue from continuing operations | 570.3 | 615.6 | 1,185.9 | 588.4 | 608.1 | 1,196.5 | 0.9% |
| Fee revenue from continuing operations | 415.9 | 438.8 | 854.7 | 419.3 | 389.9 | 809.2 | (5.3%) |
| EBITDA(2) from continuing operations | 60.9 | 51.0 | 111.9 | 29.6 | 12.7 | 42.3 | (62.2%) |
| EBITDA margin | 14.6% | 11.6% | 13.1% | 7.1% | 3.2% | 5.2% | |
| Operating profit before tax from continuing operations | 44.2 | 27.7 | 71.9 | 10.1 | (6.5) | 3.6 | (95.0%) |
| **Net operating profit after tax(3) from continuing operations** | **31.8** | **23.1** | **54.9** | **6.1** | **1.4** | **7.5** | **(86.3%)** |
| Effective tax rate | 28.1% | 16.6% | 23.6% | 39.6% | (121.5%) | (108.3%) | |
| Impairment of goodwill | - | (288.0) | (288.0) | - | (178.2) | (178.2) | 38.1% |
| Tax impact of impairment losses | - | 48.9 | 48.9 | - | 22.4 | 22.4 | (54.2%) |
| Discontinued operations | (0.3) | (60.6) | (60.9) | (36.3) | (10.3) | (46.6) | 23.5% |
| **Net profit after tax** | **31.5** | **(276.6)** | **(245.1)** | **(30.2)** | **(164.7)** | **(194.9)** | **20.5%** |
| | | | | | | | |
| Net operating cash flow | 0.9 | 47.2 | 48.1 | 26.1 | 30.3 | 56.4 | 17.3% |
| Net operating cash flow / NOPAT | 2.8% | 204.3% | 87.6% | 427.9% | 2164.3% | 752.0% | |
| | | | | | | | |
| Basic earnings per share (cents) | 16.84 | (147.86) | (131.02) | (12.27) | (66.92) | (79.19) | 39.6% |
| NOPAT basic earnings per share (cents) | 17.00 | 12.35 | 29.35 | 2.48 | 0.57 | 3.05 | (89.6%) |
| Dividends per share (cents) | 13.0 | 7.0 | 20.0 | 0 | 0 | 0 | (100%) |

*(1) Restated: refer to note 34 of the accompanying Cardno Ltd Annual Report for details of the restatement*
*(2) Excludes Discontinued Operations of ATC and ECS. EBITDA loss of $3.5M included in Discontinued Operations line*
*(3) Net Operating Profit after Tax, is a non-IFRS term which reflects the operating position of the business prior to impairment adjustments. A reconciliation of NPAT to NOPAT has been prepared and is shown above*

# Balance Sheet

| | FY2015 '$000's[1] | FY2016 '$000's | Pro-Forma as at 30th June ex XP[2] | |
|---|---|---|---|---|
| Cash and cash equivalents | 84,750 | 105,613 | 105,613 | |
| Trade and other receivables | 266,513 | 191,053 | 189,543 | |
| Inventories | 154,611 | 115,305 | 115,305 | |
| Other current assets | 41,334 | 26,328 | 26,172 | |
| **Total current assets** | **547,208** | **438,299** | **436,633** | |
| PPE | 64,851 | 47,310 | 47,188 | |
| Intangible assets | 548,084 | 322,604 | 302,051 | 1 |
| Deferred tax assets | 65,448 | 118,580 | 118,580 | |
| Other financial assets | 7,625 | 3,770 | 3,770 | |
| **Total non-current assets** | **686,008** | **492,264** | **471,589** | |
| **Total assets** | **1,233,216** | **930,563** | **908,222** | |
| Trade and other payables | 150,566 | 125,115 | 124,429 | |
| Loans and borrowings | 2,982 | 2,795 | 2,795 | |
| Other current liabilities | 103,982 | 87,279 | 85,072 | |
| **Total current liabilities** | **257,530** | **215,189** | **212,296** | |
| Loans and borrowings | 393,108 | 152,425 | 94,880 | 2 |
| Other non-current liabilities | 12,970 | 5,852 | 5,852 | |
| **Non-current liabilities** | **406,078** | **158,277** | **100,732** | |
| **Total liabilities** | **663,608** | **373,466** | **313,028** | |
| **Net assets** | **569,608** | **557,097** | **595,194** | |
| **Net Debt/EBITDA** *(lending covenant <= 3.0x)* | **2.6x** | **1.5** | **-0.3x** | 3 |
| **Interest Cover Ratio** *(lending covenant >= 3.3x)* | **13.9x** | **3.5x** | **3.5x** | |
| **Net Asset Value** *(lending covenant >= $445.0M)* | **569,608** | **557,097** | **595,194** | |

1. Intangible assets have decreased from $548.1m to $322.6m due to the write down in goodwill, primarily in the Americas. Decreased to $326.0m post XP
2. Long term borrowings down from AUD$393.0m to $95.0m post sale of XP Solutions
3. All covenants met. Headroom on key covenant (leverage ratio) post XP Solutions sale significantly increased

**Post year end, Cardno has sold XP Solutions for a gross US$49 m (net ~US$43 m) and negotiated covenant relief with its lenders to allow additional flexibility on covenants for FY17 to allow for agreed restructure charges.**

*(1) Restated: refer to note 34 of the Cardno Ltd Annual Report for details of the restatement*

*(2) Adjusted for net proceeds from sale of XP Solutions in AUD (sale announced on 19th September 2016)*

# Material Focus on Repairing Balance Sheet

Cardno



| | FY2015 '$000's[1] | FY2016 '$000's | Pro-Forma as at 30th June ex XP[2] | |
|---|---|---|---|---|
| Net debt | 311,340 | 49,607 | (7,938) | 1 |
| Total debt facilities | US$480 m | US$210 m | US$108.5 m | 2 |
| Intangible assets | 548,084 | 322,604 | 302,051 | |
| Trade + Other Receivables – trade payables | 115,947 | 65,938 | 65,114 | 4 |
| Net tangible assets | 21,524 | 234,493 | 293,143 | 5 |
| Current assets/Current liabilities | 2.1x | 2.0x | 2.1x | |
| (Cash + Debtors + Inventories) /(payables + debt) | 0.9x | 1.5x | 1.8x | 6 |
| (Cash + Debtors + Inventories)/Debt | 1.3x | 2.7x | 4.2x | |
| **Net Debt/EBITDA** *(lending covenant <= 3.0x)* | **2.6x** | **1.5** | **-0.3x** | |
| **Interest Cover Ratio** *(lending covenant >= 3.3x)* | **13.9x** | **3.5x** | **3.5x** | |
| **Net Asset Value** *(lending covenant >= $445.0M)* | **569,608** | **557,097** | **595,194** | |

*(1) Restated: refer to note 34 of the Cardno Ltd Annual Report for details of the restatement*

*(2) Adjusted for net proceeds from sale of XP Solutions in AUD (sale announced on 19th September 2016)*

1. Reduced net debt from AUD$311.3m June 2015 to AUD$49.6m as June 2016 to a pro-forma positive AUD$7.9m post XP sale
2. Reduced debt facilities from USD$480.0m as June 2015 to USD$210.0m as at 30th June 2016 to US$108.5m post the sale of XP Solutions
3. Negotiated covenant relief to allow for required restructuring in FY17 post XP Solutions sale
4. Trade and other receivables less trade payables has decreased from $115.9m to $65.9m through a strong focus on working capital management and sale of ATC. Small reduction post XP Solutions sale
5. Net tangible assets increased significantly from $21.5m to $234.5m due to the pay down of debt. Increased $293.1m post sale of XP Solutions
6. Liquidity ratios significantly improved (for example, Cash + Debtors + Inventories)/debt)

# Cash Flow

Cardno

| | FY2015 '$000's[1] | FY2016 '$000's | |
|---|---|---|---|
| EBITDA | 111,920 | 42,301 | 1 |
| Other non cash | -5,822 | -12,953 | |
| Working capital movement | -27,169 | 31,728 | |
| Net interest paid | -6,950 | -10,387 | |
| Income tax paid | -23,856 | 5,698 | |
| **Net cash provided by operating activities** | **48,123** | **56,387** | |
| | | | |
| Proceeds on disposal of subsidiaries | 0 | 85,943 | |
| Acquisition of subsidiaries, deferred consideration | -11,187 | -23,857 | 2 |
| Payments for PPE | -24,273 | -19,312 | |
| Other investing activities | 283 | 8,704 | |
| **Net cash used in investing activities** | **-35,177** | **51,478** | |
| | | | |
| Proceeds from issue of shares | 6,135 | 177,038 | |
| Net change in borrowings | 18,379 | -262,151 | |
| Dividends | -42,055 | -7,693 | 3 |
| Other | -885 | 4,808 | |
| **Net cash used in financing activities** | **-18,426** | **-87,998** | |
| | | | |
| **Net increase in cash** | **-5,480** | **19,867** | |
| | | | |
| Cash and cash 1 July | 85,885 | 84,750 | |
| Other | 4,345 | 996 | |
| **Cash and cash equivalents at 30th June** | **84,750** | **105,613** | |
| | | | |
| **Net cash from operating activities / EBITDA** | **43.0%** | **133.3%** | |

*(1) Restated: refer to note 34 of the Cardno Ltd Annual Report for details of the restatement*

1. Net cash provided by operating activities in FY16 was 133.3% of EBITDA. This reflects strong working capital management and strong cash conversion in FY16. In comparison, in FY15, the net cash provided by operating activities was 43.0% of EBITDA
2. The $23.9m payment for deferred consideration in FY16 relates to the acquisitions of Haynes Whaley and PPI in prior years:
   - The Board in place at June 2015 delayed deferred consideration payments for PPI ( due September 2015) and Haynes Whaley (due October 2015) until January 2016.
   - This consideration related to holdback retentions and were not contingent on any performance metrics and related to acquisitions completed in March 2014 (PPI) and October 2013 (Haynes Whaley).
3. There are no further deferred consideration payments to be made.
4. The $7.7m dividend in FY16 relates to the FY15 dividend declared by the prior board. No dividend has been declared for FY16.

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> **Outlook**

> Key Q & A's

# Areas of Focus: Goals for FY17



The new Board has a strong sense of confidence in Cardno staff and the skills and projects we deliver on behalf of our clients. The Board's goal over the next 12 months is to continue to simplify and streamline the business and where appropriate redress the strategic decisions taken by the previous senior management and Board.

## GOALS

> Strengthen management team
> Delayer management and decision making which impedes the ability to react quickly
> Increase ability of business units to execute quickly
> Increase accountability and decision making at the divisional and business level
> Empower management and reward staff in a transparent manner

## TARGETS

> Rebuild EBITDA margins
> Improve utilisation levels across the business
> Improve revenue per client by stronger focus on cross selling of all Cardno services

# Areas of Focus: Goals for FY17



On a more granular level this means a different style of engagement by geography

### GLOBALLY

- Decrease emphasis on centralised decision making – ensure decision making power is in the field
- Focus on building the business development pipeline and converting opportunities into revenue
- Invest in growth initiatives
- Reward staff for performance
- Increase shareholder value and earnings per share

### ASIA PACIFIC

- Continue to build on strength in NSW, Australia
- Continue to focus on municipal council work where Cardno has a market leading reputation
- Continue to develop our major project pipeline
- Continue to build on our leadership positions in transport and environmental services

### IDA

- Leverage Cardno's position as one of DFAT's leading service providers
- Increase focus on USAID work

### AMERICAS

- Build best in class leadership team
- Increase focus on transportation and infrastructure
- Grow our USA federal government business
- Leverage Cardno's leading environmental services capabilities
- Improve utilisation levels

### PORTFOLIO COMPANIES

- Optimise performance of portfolio companies on a stand alone basis
- Recreate entrepreneurial spirit
- Ensure there are appropriate accountability and reward structures in place

# Key Actions to Date: Dec 15 to Sep 16 (10 months)



We remain relatively early in this journey given the Board transition structure that was in place from November 2015 to January 2016 with the prior Board of Directors. That said since November 2015 when the transition began, there has been considerable progress in resetting the organisation and staff engagement and support has been extremely positive throughout this time.

- Sold ATC for AUD$89.1m
- Sold XP Solutions for US$49m (net proceeds around US$43 m) [~AUD$65m]
- Conducted two rights issues totalling ~AUD$170m to reset the capital structure and right size the balance sheet.
- Significantly reduced the financial risk in the business:
  - Reduced net debt from AUD$311.3m as at 30th June 2015 to AUD$49.6m as at 30th June 2016 to a pro-forma positive AUD$8.0m post the sale of XP Solutions
  - Reduced debt facilities from USD$480.0m as at 30th June 2015 to USD$210.0m as at 30th June 2016 to US$108.5m post the sale of XP Solutions
  - Negotiated covenant relief to allow for required restructuring in FY17
- Reduced size of global head office and devolved responsibilities back to divisional business units and away from non essential overhead functions
- Recalibrated the Board composition from a skills and geographic perspective
- Rolled out new LTI and STI plans
- Closed a number of loss making business units
- Undertaking a process to consolidate a number of duplicate office locations in the US which will lead to greater scale of skills, staff and clients in regions
- Building a major projects group to drive future business development
- Undertaking an IT review for the business and developing a long term IT strategy to ensure fit for purpose solutions across the company
- Rebuilding entrepreneurial focus in portfolio companies which are best run stand alone to be more competitive

# Trading Outlook for FY2017

Consistent with the refocus of the organisation, the board is reviewing the balance sheet to ensure we exit FY2017 with no more surprises.

> Carrying value of all assets are being reviewed

> Provisions being established where necessary to reflect business decisions and trading performance

> Non-reoccurring expenses being taken up as business restructures
(for example exit of property leases no longer required)

> Restructure of employee cost base; e.g. wind down of Caminosca in South America and in turn redundancy charges

> Although we are early in the new financial year, the Company expects EBITDA prior to abnormal costs, or costs associated with the restructuring of the business and Caminosca for FY17, to be of a similar order of magnitude to the reported EBITDA for continuing operations in FY16.

> FY17 is a rebasing year for the business

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- > **Key Q & A’s**

# Key Q & A's



A number of organisations have raised a number of questions in regards to FY16 which we feel other shareholders may share and accordingly the material questions are answered below

| | ISSUE | RESPONSE |
|---|---|---|
| **Composition of the board** | > Preference to see a majority of independent Non-Executive Directors | > The Board agrees with this however the current situation where Neville Buch and Gary Jandegian are viewed as Non-Independent Directors due to their Interim Joint CEO roles is only temporary<br>> As we move to a permanent CEO structure, the Board will naturally move back to a majority of Independent Non-Executive Directors |
| | > Preference for Remuneration and Nomination Committee to have an Independent Chair | > Given the requirement to review all senior staff as well as review salaries and incentives, the Board as a whole wanted to be close to these decisions<br>> As we come out of FY17 it is the Board's intention to revert back to a smaller sub committee with an Independent Chair |
| | > Question whether Jeff Forbes is an Independent Chair of the Audit and Risk Committee | > The Board is comfortable with Jeff's role as an Independent Chair of the Audit and Risk Committee<br>> Jeff had not been an executive of Cardno for 2 years and 11 months prior to joining the Board and in our mind satisfied in substance the ASX guideline for independence of a former executive (being a 3 year gap) before being considered an Independent Non-Executive<br>> Jeff brings a wealth of experience and corporate history to the role which in the opinion of the Board is incredibly helpful for the company<br>> The Board is comfortable with the current structure |
| **Related party transactions** | > Gary Jandegian and Robert Prieto consulting arrangements and potential conflict this creates as a Director | > The Board is comfortable with this arrangement and given the current needs of the business, having the ability to draw on their skills for the organisation separate to their role as Directors is an advantage for the company |

# Key Q & A's

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A number of organisations have raised a number of questions in regards to FY16 which we feel other shareholders may share and accordingly the material questions are answered below

| | ISSUE | RESPONSE |
|---|---|---|
| **STI benefits paid to former senior group executives including the CEO** | > Concern expressed as to the payment of FY16 STI benefits to former senior group executives including the CEO in light of the Company's performance over FY16<br>> No disclosure of measures achieved for the awarding of the FY16 STI to departed senior management | > The award of the FY16 non financial STI benefits to departed senior management was determined by the prior board of the company which determined that the FY16 STI non financial targets were achieved by October 2015, prior to the conclusion of Crescent Capital Partners' partial takeover and the transition board being put in place |
| **Cardno Performance Equity Plan** | > Concern expressed that the LTI performance proposed for FY17 conditions are not sufficiently stretching | > The Board disagrees<br>> When the share price and profit target were initially proposed to the board, the share price was \$0.54/share and the required profit uplift over FY16 was set at ~30%<br>> Given the restructure underway the board wants to ensure that the targets are achievable and stimulate the right behaviour: "achievability and retention of staff" |

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# QUESTION TIME

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# ITEMS OF BUSINESS

Michael Alscher,
Chairman

# ITEM 1

## Financial Statements and Reports

> To receive and consider the Company's financial reports and the report of the Directors and the Auditor contained in the Company's Financial Report for the financial year ended 30 June 2016.

# RESOLUTION 2

## Election of Michael Alscher

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

*'That Michael Alscher, who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution and Listing Rule 14.4.'*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 357,644,654 | 11,223,399 | 173,760 | 862,549 | 0 |
| % of Votes able to be cast | 96.73 | 3.03 | N/A | 0.24 | N/A |

# RESOLUTION 3

## Election of Neville Buch

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

*‘That Neville Buch, who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director of the Company in accordance with rule 13.2 of the Company’s constitution and Listing Rule 14.4.’*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 357,552,774 | 11,339,657 | 158,730 | 852,031 | 0 |
| % of Votes able to be cast | 96.7 | 3.07 | N/A | 0.23 | N/A |

# RESOLUTION 4

## Election of Steven Sherman

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

*'That Steven Sherman, who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution and Listing Rule 14.4.'*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 366,919,740 | 1,963,793 | 165,827 | 855,002 | 0 |
| % of Votes able to be cast | 99.24 | 0.53 | N/A | 0.23 | N/A |

# RESOLUTION 5

## Election of Jeffrey Forbes

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

*'That Jeffrey Forbes, who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution and Listing Rule 14.4.'*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 365,157,858 | 3,734,393 | 158,585 | 853,526 | 0 |
| % of Votes able to be cast | 98.76 | 1.01 | N/A | 0.23 | N/A |

# RESOLUTION 6

## Election of Gary Jandegian

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

*'That Gary Jandegian, who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution and Listing Rule 14.4.'*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 359,910,222 | 8,991,703 | 122,044 | 880,393 | 0 |
| % of Votes able to be cast | 97.33 | 2.43 | N/A | 0.24 | N/A |

# RESOLUTION 7

## Election of Robert Prieto

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

*'That Robert Prieto, who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution and Listing Rule 14.4.'*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 366,909,657 | 1,958,158 | 151,528 | 885,019 | 0 |
| % of Votes able to be cast | 99.23 | 0.53 | N/A | 0.24 | N/A |

# RESOLUTION 8

## Election of Nathanial Thomson

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

*'That Nathanial Thomson, who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution and Listing Rule 14.4.'*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 355,603,663 | 13,233,652 | 181,178 | 885,869 | 0 |
| % of Votes able to be cast | 96.18 | 3.58 | N/A | 0.24 | N/A |

# RESOLUTION 9

## Remuneration Report

> To consider and, if thought fit, to pass the following in accordance with section 250R(2) of the Corporations Act 2001 (Cth) (Corporations Act):

*'That the Remuneration Report contained in the Company's Financial Report for the financial year ended 30 June 2016 be adopted.'*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 332,827,314 | 34,805,475 | 248,766 | 827,911 | 1,194,896 |
| % of Votes able to be cast | 90.34 | 9.44 | N/A | 0.22 | N/A |

## RESOLUTION 10

### Approval of the Performance Equity Plan and the issue of performance rights under the Performance Equity Plan

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

*‘That, for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve the terms of, and authorise the grant of Performance Rights and issue of Shares pursuant to the terms of the Performance Rights, under the Cardno Limited Performance Equity Plan, a summary of the Rules of which are set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1.’*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 334,131,994 | 33,560,795 | 208,887 | 807,790 | 1,194,896 |
| % of Votes able to be cast | 90.69 | 9.1 | N/A | 0.21 | N/A |

# RESOLUTION 11

## Renewal of proportional takeover approval provisions

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

*'That, for the purposes of section 648G of the Corporations Act, the proportional takeover provisions contained in rule 27 of the Company's constitution, the details of which are set out in the Explanatory Memorandum, be renewed for a period of three years from the date of the meeting.'*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 366,328,987 | 2,372,034 | 358,640 | 844,701 | 0 |
| % of Votes able to be cast | 99.14 | 0.64 | N/A | 0.22 | N/A |

# RESOLUTION 12

## Conditional resolution to hold a spill meeting

> To consider and, if thought fit, to pass the following as a conditional resolution:

*'That, subject to and conditional on at least 25% of the votes cast on Resolution 9 being cast against the adoption of the Remuneration Report:*

*a) a meeting of the Company's members be held within 90 days after the passing of this resolution (the Spill Meeting);*

*b) all the Company's Directors who were Directors when the resolution to approve the Directors' Remuneration Report for the financial year ended 30 June 2016 was passed and who remain Directors of the Company at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*

*c) resolutions to appoint persons to office that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.'*

| Proxies Received | For | Against | Abstain | Open | Excluded |
|---|---|---|---|---|---|
| # Votes cast | 20,820,139 | 346,662,368 | 366,455 | 860,504 | 1,194,896 |
| % of Votes able to be cast | 5.65 | 94.11 | N/A | 0.24 | N/A |

Shaping the Future

# Thank you

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