



Cardno Limited

ABN 70 108 112 303

2005 Annual General Meeting Meeting Documentation

Contents

Notice of Annual General Meeting	2
Explanatory Memorandum	3
Schedule	8

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of members of CARDNO LIMITED ('Cardno' or 'Company') will be held on Friday, 28 October 2005 at the ASX Lecture Theatre, Level 5, Riverside Centre, 123 Eagle Street, Brisbane commencing at 10:00am (Brisbane time).

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the Company's financial reports and the report of the Directors and the Auditor for the financial year ended 30 June 2005.

2. Directors' Remuneration Report

To consider and, if thought fit, to pass the following in accordance with s250R(2) of the Corporations Act:

'That the section of the report of the Directors dealing with the remuneration of the Company's Directors, Company Secretary and Senior Executives be adopted.'

NB: This resolution shall be determined as if it were an ordinary (majority) resolution, but under s250R(3) of the Corporations Act, the vote does not bind the Directors of the Company.

3. Election of Dr Trevor Johnson

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

'That Trevor Johnson, who retires by rotation in accordance with rule 16.1 of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

4. Election of Mr John Massey

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

'That John Massey, who retires by rotation in accordance with rule 16.1 of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

5. Election of Mr Ian Johnston

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

'That Ian Johnston who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be re-elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution.'

6. Election of Dr Stephen Moss

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

'That Stephen Moss, who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be re-elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution.'

Information about the candidates appears in the accompanying Explanatory Memorandum.

SPECIAL BUSINESS

7. Issue of Options to Acquire Ordinary Shares ('Options') to Executive Directors

To consider and, if thought fit, pass the following ordinary resolutions:

- A. 'That, pursuant to section 208(1)(a) of the Corporations Act and Listing Rules 10.11 and 10.14, and in accordance with the Performance Equity Plan, the members of the Company approve the granting of 40,000 Options to Andrew Buckley, Executive Director, in the manner contemplated in the Explanatory Memorandum'
- B. 'That, pursuant to section 208(1)(a) of the Corporations Act and Listing Rules 10.11 and 10.14, and in accordance with the Performance Equity Plan, the members of the Company approve the granting of 20,000 Options to Trevor Johnson, Executive Director, in the manner contemplated in the Explanatory Memorandum'
- C. 'That, pursuant to section 208(1)(a) of the Corporations Act and Listing Rules 10.11 and 10.14, and in accordance with the Performance Equity Plan, the members of the Company approve the granting of 10,000 Options to James Verco, Executive Director, in the manner contemplated in the Explanatory Memorandum'

8. Ratification and Approval of Previous Allotment and Issue of Securities

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

'That for the purposes of Listing Rule 7.4, Shareholders ratify and approve the following issues of securities:

- issue of 2,552,617 fully paid ordinary shares at \$2.76 per share on 1 July 2005 in relation to the acquisition of ACIL Australia Pty Ltd to those persons set out in the Explanatory Memorandum;
- issue of 178,898 convertible notes at \$2.50 per convertible note on 1 July 2005 to ANZ Nominees Limited to correct a processing error made by the share registry in relation to the renounceable rights issue of convertible notes made under the Prospectus dated 27 May 2005; and
- issue of 489,995 fully paid ordinary shares at \$2.641 per share on 12 August 2005 in relation to the acquisition of EOP Holdings Pty Ltd trading as Eppell Olsen & Partners to those persons set out in the Explanatory Memorandum.'

Dated 27 September 2005

By Order of the Board



Ronald Fisher
Company Secretary

Notes

Shareholders of Cardno

1. Cardno has determined that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Cardno register of shareholders as at 7:00pm (Brisbane time) on 26 October 2005.

Appointment of Proxy (Section 249L(d))

2. If you are a shareholder, and you are unable to attend and vote at the meeting, and wish to appoint a proxy, please complete and return the enclosed proxy form. A proxy need not be a shareholder of Cardno.
3. The proxy form must be completed and together with the power of attorney (if any) under which the proxy form is signed lodged at Cardno's share registry at ASX Perpetual Registrars, Level 8, 580 George Street, Sydney, NSW, 2000 or Locked Bag A14, Sydney South, NSW, 1235 or faxed to 02 9287 0309 at least 48 hours before the meeting (i.e. lodgement must occur no later than 10:00am (Brisbane time) on 26 October 2005).
4. A shareholder entitled to attend and cast more than 2 votes at the meeting is entitled to appoint no more than 2 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.

5. A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with the Corporations Act 2001 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 on how to cast your votes then call the Company Secretary on 07 3369 9822 during business hours.

Voting exclusion statement

6. Cardno will disregard any vote cast on:
 - (a) item 7 (Issue of Options to Executive Directors) by any Director of Cardno who is eligible to participate in the Performance Equity Plan or any associate of that Director;
 - (b) item 8 (Ratification and approval of previous allotment and issue of securities) by:
 - any person who participated in the issue; and
 - an associate of any person who participated in the issue.

However, Cardno need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Memorandum

ORDINARY BUSINESS

Financial Statements and Reports

The Corporations Act 2001 requires that the report of the Directors, the report of the Auditor and the financial reports be presented to the Annual General Meeting. In addition the Company's Constitution provides for such reports and statements to be received and considered at the meeting. Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act 2001 nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such reports or statements, however shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

In addition to asking questions at the meeting, shareholders may address written questions to the Chairman about the management of the Company, or to the Company's Auditor which are relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial report to be considered at the meeting.

Any written questions must be submitted to the Company Secretary on or before Friday 21 October 2005 by email (rfisher@cardno.com.au), fax (07 3369 9722) or post (PO Box 388, Toowong, Qld, 4066).

Directors' Remuneration Report

The Corporations Act 2001 requires that the section of the report of the Directors dealing with the remuneration of Directors, the Company Secretary and up to 5 Senior Executives ('Remuneration Report') be put to shareholders for adoption by way of a non-binding vote.

The Remuneration Report may be found in the Annual Report.

Following consideration of the Remuneration Report, the Chairman will give shareholders a reasonable opportunity to ask questions about or to make comments upon, the Remuneration Report.

Explanatory Memorandum cont.

ORDINARY BUSINESS cont.

Election of Directors

Under clause 16.1 of the constitution of the Company one half of the current Directors (excluding the Managing Director, any Director appointed under rule 13.2 and any Director who has vacated his/her office under clause 15.1) must retire by rotation at each annual general meeting.

In accordance with this rule, Dr Trevor Johnson, Mr Richard Kell AM and Mr John Massey retire at the end of the meeting. Dr Johnson and Mr Massey, being eligible, present themselves for re-election. Mr Kell AM does not present himself for re-election.

Dr Stephen Moss was appointed to the Board since the last Annual General Meeting under rule 13.2. In accordance with rule 13.2 of the Company's constitution, being eligible, Dr Moss presents himself for re-election.

Mr Ian Johnston was appointed to the Board since the last Annual General Meeting under rule 13.2. In accordance with rule 13.2 of the Company's constitution, being eligible, Mr Johnston presents himself for re-election.

A summary of each candidate's experience and qualifications appear below.

DR TREVOR JOHNSON

BE, MEngSc, PhD, MIEAust, CPEng, RPEQ, MAICD

Age 48 Executive Director

Trevor has over 25 years experience as a civil engineer, with special expertise in the fields of hydraulics, water quality and environmental analysis. He is an expert in the technology of urban waterways, and has acted as team leader for a number of major urban development projects undertaken by Cardno. In addition, Trevor has frequently been engaged as an expert witness on engineering matters, where his expertise across a range of areas is utilised. Trevor has been an employee of Cardno & Davies and subsequently the Cardno Group for over 20 years, and has been a Director of Cardno since 1996. Trevor is Chairman of the Succession Planning Committee and a member of the Board's Audit Committee.

JOHN MASSEY

BCom, CPA, FAICD, FAIM

Age 59 Non-Executive Chairman

John Massey has been Chairman of Cardno Limited since 1 July 2004 and a Non-Executive Director since 19 March 2004. John became a full-time independent company director in December 1997, offering extensive and broadly-based commercial experience, leadership and strategic development skills developed over many years as a chairman, director and chief executive spanning different industries. He has led successful performance and corporate change, both in Australia and internationally, including Grainco, QDL Pharmaceuticals, Thomas Cook Financial Services and Travel and Safcol Holdings. He graduated with a Bachelor of Commerce from the University of New South Wales, is a Certified Practising Accountant and a Fellow of both the Australian Institute of Company Directors and the Australian Institute of Management. John's current appointments include being Chairman

of Ventracor Limited, AV Syntec Group and Symbiosis Group Limited. He is also a director of Dairy Australia Limited. He is a national director of the Australian Institute of Company Directors and a former president of the Institute in Queensland. John's previous Board appointments include being Chairman of Northstate Capital, Agricultural Risk Management Services, Globex and a Director of Brisbane Airport Corporation, The Kerwee Pastoral Group and KR Castlemaine Foods Group. As well as being Chairman of the company, John is also Chairman of the Board's Remuneration Committee and a member of the Audit Committee.

IAN JOHNSTON

DipCM, Grad Dip Applied Finance and Investment, ASIA, ACIS, FAICD

Age 56 Non-Executive Director

Ian Johnston is a Director of ABN AMRO Morgans Limited and a member of its advisory board. Following a career of nearly 25 years in the banking industry, the majority of which was spent in Treasury and Corporate Banking, Ian joined ABN AMRO Morgans (formerly Morgan Stockbroking Limited) in 1988 and until July 2003 was Head of Corporate Finance. He has been involved in a significant number of initial public offerings, capital raisings, and corporate transactions. In July 2003, he became Executive Chairman, Underwriting and Risk Management and is involved in corporate finance strategic planning and product development. Ian holds qualifications in Management and Finance and is an Associate of the Securities Institute of Australia, an Associate of the Chartered Institute of Company Secretaries, and a Fellow of the Australian Institute of Company Directors. He attended the Oxford Advanced Management Programme ("AMP") at Templeton College, University of Oxford in 1987. In 2004, he completed the Australian Institute of Company Directors Course. Other directorships include Symbiosis Group Limited, AAM Foundation Limited, Creative Industries Precinct Pty Ltd and The Brisbane Polo Club Inc. Ian is Chairman of the Board's Audit Committee and is a member of the Remuneration Committee.

DR STEPHEN MOSS

BD, STM, DM, MICD, CMC, FAICD

Age 54 Executive Director, CEO — ACIL Australia Pty Ltd, Division Manager — International

Stephen was appointed as an executive director on 2 August 2005 after the completion of the acquisition of ACIL Australia Pty Ltd ("ACIL"). Stephen now leads the international division of Cardno as well as being CEO of ACIL. Prior to joining the firm, Stephen was a Partner with Coopers & Lybrand and then Price Waterhouse (now PricewaterhouseCoopers) from 1984 to 1995. He was Managing Partner of the Government practice of Price Waterhouse from 1990 and was the Asia Pacific leader of the firm's change integration practice from 1990 to 1994. He left Price Waterhouse to take up the role of Managing Director of Aptech Australia Pty Ltd, a management consulting practice that was acquired by IBM in 1996. Stephen remained with IBM following the acquisition and was appointed Managing Principal of their national consulting practice as well as building their Asia Pacific telecommunications and media consulting practice. Stephen was appointed as a member of the Risk Management Committee in August 2005.

SPECIAL BUSINESS

Issue of Options to Executive Directors

The Company proposes to issue 40,000 Options to Andrew Buckley, 20,000 Options to Trevor Johnson and 10,000 Options to James Verco. The proposed issues are in accordance with the Performance Equity Plan previously approved by shareholders and pursuant to which, the issue of 30,000 Options to Andrew Buckley, 15,000 Options to Trevor Johnson and 15,000 Options to Ron Fisher were approved by shareholders at last year's Annual General Meeting ('2004 Options'). The terms of these Options (as set out in the Schedule to this Explanatory Memorandum) are the same as that which will apply to any Options issued under that plan until the next Annual General Meeting of the Company.

The effect that the exercise of the Options will have on the share capital of each of the grantees (assuming all 2004 Options have been exercised and that there are no other changes in the share capital of each grantee or that of Cardno prior to the exercise of the Options and that all of the Options are exercised) is set out in the following table:

	Shares currently held (including 2004 Options)	%	Shares held following exercise of Options	%
Andrew Buckley	1,875,810	4.76	1,915,810	4.85
Trevor Johnson	1,547,990	3.93	1,567,990	3.97
James Verco	1,094,402	2.78	1,104,402	2.80

An exact valuation of the Options cannot be derived until the exercise price can be ascertained. The terms of the Options provide that the exercise price will be calculated as the average market price per share (weighted by reference to volume) during the 5 trading days ending on the day before the issue of the Options. In order to assist shareholders in making a decision on this resolution, the table below sets out a range of values for the Options at varying exercise prices. For the 5 trading days from 6 September 2005 until 12 September 2005, the weighted average of the market price per share, was \$4.10. This exercise price has therefore been used as a basis for the range of exercise prices.

Exercise Price (\$)	Value of Andrew Buckley Options (\$)	Value of Trevor Johnson Options (\$)	Value of James Verco Options (\$)	Total value of Options (\$)	Value per Option (\$)
3.90	48,560	24,280	12,140	84,980	1.214
4.00	46,600	23,300	11,650	81,550	1.165
4.10	44,680	22,340	11,170	78,190	1.117
4.20	42,840	21,420	10,710	74,970	1.071
4.30	41,080	20,540	10,270	71,890	1.027

The Board believes this method of valuation to be appropriate in the circumstances and has not used any other valuation or other models in proposing the terms of the Options.

The Board also believes the issue of Options to each of Andrew Buckley, Trevor Johnson and James Verco will provide these participants with an appropriate incentive to maximise the return to shareholders over the long term and assist in developing a unity of purpose for both Cardno management and shareholders.

Listing Rule Requirements

Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A director is a related party for the purposes of the Listing Rules. Listing Rule 10.14 also restricts the issue of securities under an employee incentive scheme to directors.

None of the exceptions to the prohibition which are set out in Listing Rule 10.12 apply to the issue of the Options to Andrew Buckley, Trevor Johnson or James Verco.

It is proposed that 40,000 Options will be issued to Buckland (Qld) Pty Ltd as trustee for the Buckley Family Trust (an associate of Andrew Buckley), 20,000 Options to Trevor Johnson as trustee for the Johnson Family Trust (an associate of Trevor Johnson) and 10,000 Options to KMS Properties Pty Ltd as trustee for The Verco Family Trust (an associate of James Verco), within 5 days after the Annual General Meeting. There is no issue price for the Options and the terms of issue of the Options are set out in the Schedule to this Notice of General Meeting. For the purpose of Listing Rule 10.14 no persons have received securities under the Performance Equity Plan since the last approval.

By reason of Listing Rule 7.2 (Exception 14), if the approval of shareholders for the issue of the Options is obtained pursuant to Listing Rule 10.11, approval is not required pursuant to Listing Rule 7.1. This means that the proposed issue of the Options to Andrew Buckley, Trevor Johnson and James Verco will not erode the Company's ability to issue equity securities up to the 15% limit prescribed by Listing Rule 7.1 without further shareholder approval.

Corporations Act requirements — related party transactions

Section 208(1) of the Corporations Act provides that a public company must not, without the approval of the Company's members, give a financial benefit to a related party. Each of Andrew Buckley, Trevor Johnson and James Verco are related parties of the Company for the purposes of section 228(2) of the Corporations Act as they are Directors. The issue of the Options will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Corporations Act. None of the exceptions to the prohibition which are set out in sections 210 to 216 of the Corporations Act apply to the issue of the Options.

Each of the Directors not eligible to participate in the Performance Equity Plan, being John Massey and Ian Johnston ('Non-Executive Directors'), wish to recommend that shareholders vote in favour of this resolution to grant the Options to Andrew Buckley, Trevor Johnson and James Verco because the issue of the Options will provide appropriate incentive to maximise the return to shareholders over the long term and assist in developing a unity of purpose for both Cardno management and shareholders.

Explanatory Memorandum cont.

Andrew Buckley, Trevor Johnson and James Verco and the other Directors eligible to participate in the Performance Equity Plan do not wish to make a recommendation in respect to this resolution as they are directly interested in its outcome.

If all the Options the subject of this resolution are granted and exercised then the Company's fully paid share capital will be diluted by approximately 0.18% (based on the existing number of shares). The amount of the subscription monies that the Company will receive on exercise of the Options cannot be determined as at the date of the Notice of Annual General Meeting.

The Non-Executive Directors consider that the incentive represented by the grant of the Options is a cost effective and efficient incentive when compared to other forms of incentive.

The primary purpose of the Options is to reward performance and provide an incentive to Andrew Buckley, Trevor Johnson and James Verco. Given this purpose, the Non-Executive Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Options, the subject of this resolution.

RATIFICATION AND APPROVAL OF PREVIOUS ISSUES OF SECURITIES

The purpose of this resolution is for shareholders to approve/ratify, pursuant to Listing Rule 7.4, those share issues which occurred during the 12 months before the date of this Annual General Meeting which count toward the Company's 15% limit under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

The allotment and issue of shares detailed in this resolution did not exceed the 15% threshold. However, Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

This resolution proposes the ratification and approval of the allotment and issue of shares for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

Date of issue	Number of Securities issued	Issue price per Security	Terms of Securities issued	Persons to whom Securities were issued	Basis for determining allottees and use of funds raised by the issue
1/07/05	431,348	\$2.76 per share	Rank equally with all fully paid ordinary shares on issue	Jagomoss Pty Ltd as trustee for The Moss Investment Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of the issued capital in ACIL Australia Pty Ltd
1/07/05	405,691	\$2.76 per share	Rank equally with all fully paid ordinary shares on issue	Simon Field as trustee for The Simon Field Family Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of the issued capital in ACIL Australia Pty Ltd
1/07/05	697,494	\$2.76 per share	Rank equally with all fully paid ordinary shares on issue	P & J Falvey Pty Ltd as trustee for The P & J Falvey Family Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of the issued capital in ACIL Australia Pty Ltd
1/07/05	219,096	\$2.76 per share	Rank equally with all fully paid ordinary shares on issue	RCLM Investment Nominees Pty Ltd as trustee for The Hill Family Settlement Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of the issued capital in ACIL Australia Pty Ltd
1/07/05	164,322	\$2.76 per share	Rank equally with all fully paid ordinary shares on issue	Surfing Investments Pty Ltd as trustee for The Surfing Investment Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of the issued capital in ACIL Australia Pty Ltd
1/07/05	328,644	\$2.76 per share	Rank equally with all fully paid ordinary shares on issue	Mikat Nominees Pty Ltd as trustee for The Vantree Pty Ltd Super Fund	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of the issued capital in ACIL Australia Pty Ltd

Date of issue	Number of Securities issued	Issue price per Security	Terms of Securities issued	Persons to whom Securities were issued	Basis for determining allottees and use of funds raised by the issue
1/07/05	164,321	\$2.76 per share	Rank equally with all fully paid ordinary shares on issue	Jordan Bergin Pty Ltd as trustee for The Jordan Bergin Family Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of the issued capital in ACIL Australia Pty Ltd
1/07/05	141,701	\$2.76 per share	Rank equally with all fully paid ordinary shares on issue	Judith Ashcroft	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of the issued capital in ACIL Australia Pty Ltd
01/07/05	178,898	\$2.50 per convertible note	Rank equally with all other convertible notes on issue	ANZ Nominees Limited	Convertible notes issued to correct a processing error by the share registry which occurred in relation to the renounceable rights issue of convertible notes offered under the Prospectus dated 27 May 2005
12/08/05	125,000	\$2.641 per share	Rank equally with all fully paid ordinary shares on issue	Trafplan Pty Ltd as trustee for The Timet Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of issued capital of EOP Holdings Pty Ltd trading as Eppell Olsen & Partners
12/08/05	57,000	\$2.641 per share	Rank equally with all fully paid ordinary shares on issue	Sigplan Pty Ltd as trustee for McClurg O'Leary Family Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of issued capital of EOP Holdings Pty Ltd trading as Eppell Olsen & Partners
12/08/05	60,140	\$2.641 per share	Rank equally with all fully paid ordinary shares on issue	Shane Robert Healey	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of issued capital of EOP Holdings Pty Ltd trading as Eppell Olsen & Partners
12/08/05	30,555	\$2.641 per share	Rank equally with all fully paid ordinary shares on issue	Justin Matthew Jahnke	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of issued capital of EOP Holdings Pty Ltd trading as Eppell Olsen & Partners
12/08/05	9,700	\$2.641 per share	Rank equally with all fully paid ordinary shares on issue	Jerryn Sonja Zwart	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of issued capital of EOP Holdings Pty Ltd trading as Eppell Olsen & Partners
12/08/05	77,600	\$2.641 per share	Rank equally with all fully paid ordinary shares on issue	Jerryn Sonja Zwart as trustee for The Black MIP Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of issued capital of EOP Holdings Pty Ltd trading as Eppell Olsen & Partners
12/08/05	130,000	\$2.641 per share	Rank equally with all fully paid ordinary shares on issue	Transeng Pty Ltd as trustee for The Kama Trust	Shares issued pursuant to a Share Sale Agreement for the acquisition of 100% of issued capital of EOP Holdings Pty Ltd trading as Eppell Olsen & Partners

Schedule

PERFORMANCE EQUITY PLAN OPTION TERMS

1. Definitions

In these terms and conditions, except to the extent the context otherwise requires:

'ASX' means Australian Stock Exchange Limited ACN 008 624 691;

'Board' means the board of Directors of the Company;

'Cardno Group' means the Company and its subsidiaries;

'Company' means Cardno Limited ACN 108 112 303;

'Exercise Period' means the period commencing at 8:00am on the day that is 7 days before the 2nd anniversary of the Issue Date and ending at 5:00pm on the 2nd anniversary of the Issue Date;

'Exercise Price' means the price at which an Option may be exercised and is that amount equal to the average market price per Share (weighted by reference to volume) of Shares during the 5 trading days ending on the day before the Issue Date;

'Issue Date' means the date of issue of an Option;

'Listing Rules' means the Listing Rules of ASX as varied from time to time;

'Option' means an option to acquire a Share;

'Optionholder' means the holder of an Option;

'Share' means a fully paid ordinary share in the Company.

2. Exercise of Options

2.1 Subject to clause 2.3, an Option will entitle the holder of that Option to acquire a Share:

- (a) at any time during the Exercise Period but subject to the relevant restrictions in the Company's share trading policy; and
- (b) at the Exercise Price.

2.2 The Options are exercisable wholly or in part by execution and lodgement with the Company of a form of exercise of Options and payment of the Exercise Price during the Exercise Period. The form of exercise must set out the number of Options which the Optionholder wishes to exercise.

2.3 If at any time prior to the Exercise Period, the Optionholder ceases to be an employee of the Company or a member company of the Cardno Group the Option will lapse.

3. Rights Attaching to Options

3.1 In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Options or the Exercise Price or both will be adjusted (as appropriate) to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation. In all other respects the terms for the exercise of the Options shall remain unchanged.

3.2 Until Shares are issued pursuant to the exercise of Options, the holder of an Option shall not participate in dividends on Shares or, subject to clause 3.3, new issues of securities by the Company.

3.3 In the event of any pro rata bonus or cash issues of securities by the Company, the number of Shares over which an Option exists and the Exercise Price will be adjusted in the manner specified in Listing Rule 6.22.

3.4 Options may not be transferred.

4. Issue of Shares

4.1 The Board will issue Shares after Options have been exercised, in accordance with clause 2, once the relevant Exercise Price has been paid to the Company, at the next succeeding Board meeting and, in any event, within 15 business days after receiving notice of the exercise of the Options.

4.2 If the Company's Shares are officially quoted by ASX at the time any Shares are issued pursuant to the exercise of Options, the Company will apply to ASX for official quotation of such Shares issued pursuant to the exercise of Options within the time prescribed by the Listing Rules and, in any event, within 10 business days of the issue of those Shares.

4.3 A Share issued pursuant to the exercise of any Options will rank equally in all respects with existing Shares.