

PRINCIPLE 3 – Act ethically and responsibly

3.1	The Board has adopted a code of conduct applicable to all Directors, senior executives and employees, a copy of which is disclosed on the company’s website.	☑
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PRINCIPLE 4 – Safeguard integrity in financial reporting

4.1	<p>The Board has established an audit, risk and compliance committee (ARCC). The ARCC is comprised of Non-executive Directors. Its composition being:</p> <ul style="list-style-type: none"> • Jeff Forbes (Chairman, Independent Non-executive Director) • Nathaniel Thomson (Non-executive Director) • Steven Sherman (Independent, Non-executive Director) • Bob Prieto (Independent, Non-executive Director). <p>The 2018 Annual Report provides information on the number of times the committee met throughout the period and individual attendances of the members.</p>	☑
4.2	The qualifications of the members of the ARCC are set out in the Board of Directors’ section of the website. A copy of the ARCC’s charter is on the Company’s website. The Board of Cardno requires declarations and management representations in respect of the financial records and information of the business from the CEO and 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 (available on the Company’s website) to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting.	☑
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PRINCIPLE 6 – Respect the rights of shareholders

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 statement, announcements to the ASX, notices of meetings and webcasts. The website is a key communication tool between the Company and the shareholders. www.cardno.com	☑
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 will provide shareholders with opportunities to have questions addressed at shareholder meetings, irrespective of whether the shareholder is able to attend.	☑
6.4	All shareholders of Cardno will be able to communicate with the Company and its share registry electronically and in fact this method of communication is encouraged.	☑

PRINCIPLE 7 – Recognise and manage risk

7.1	The Board has established a combined audit, risk and compliance committee (ARCC). The ARCC is comprised only of Non-executive Directors. The composition is set out under principle 4.1 above. Details of qualifications of the members of the	☑
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	ARCC are set out in their biographies under Board of Directors on the Company's website. A copy of the ARCC's charter is on the Company's website.	
7.2	Cardno has established an enterprise risk management framework for the Cardno Group that seeks to ensure enterprise risks are identified, assessed and managed. This framework is reviewed periodically by Cardno's Internal Audit & Risk Manager. 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. A copy of the Cardno's enterprise risk management policy can be found on the Company's website.	☑
7.3	Cardno has an internal audit function comprising of two staff based in the Brisbane head office; an Internal Audit & Risk Manager and Internal Audit Specialist. A US-based Internal Audit Specialist will also commence in October 2018. Cardno also monitors the quality and accuracy of its services through a Quality Management System.	☑
7.4	As a listed global organisation Cardno is exposed to economic sustainability risks including exposure to the Australian, USA and other international economies, plus market sectors such as oil and gas, commodity prices and infrastructure development. Cardno has sought to mitigate these risks through its business diversity and the strategic and operational actions of Board and management. 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. Cardno regards its exposure to environmental sustainability risks as low.	☑

PRINCIPLE 8 – Remunerate fairly and responsibly

8.1	<p>Up until May 2018 the Remuneration Committee continued to operate as a function of the full Board of Directors. From May the Board resolved to revert to a separately constituted Remuneration Committee. The Committee is comprised of 2 members, both of whom are non-executive directors:-</p> <ul style="list-style-type: none"> • Gary Jandegian, Committee Chair (Independent, Non-executive Director) • Nathaniel Thomson (Non-executive Director) <p>The Committee does not have a majority of independent directors but does have an independent Chair. The Board considers this arrangement appropriate at present given that all major Remuneration Committee decisions are taken to the</p>	☑
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	<p>full Board for approval in any event.</p> <p>The charter for Remuneration Committee is available on the Company's website. The committee is yet to formally meet as a sub-committee separate from the Board, but intends to do so moving into FY19.</p>	
8.2	<p>Remuneration of Non-executive Directors is reviewed annually by the Board, taking into account the recommendations of the Remuneration Committee and external benchmarking.</p> <p>Remuneration of senior executives is also reviewed annually and is offered through a mix of fixed and variable remuneration including short and long term performance-based incentives, designed to maximise the financial performance and growth of the Company over time. Remuneration for senior executives is benchmarked against similar roles in comparable companies.</p>	☑
8.3	<p>Cardno's Dealing in Cardno Stock Group Mandatory Requirement ("GMR") 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.</p>	☑