safety | people | productivity

A people driven business improving productivity in the resources sector

Tempo Australia Limited and Controlled Entities Annual Report 31 December 2013

A people driven business improving productivity in the resources sector | Annual Report and Accounts 2013

OUR VISION is to create a fully integrated, multidisciplinary Engineering, Procurement and Construction service provider delivering end-to-end turnkey solutions to the mining, oil and gas sectors in Australia

Tempo Australia Limited
ABN 51 000 689 725

ASX Code TPP

Registered Address
Level 3, 38 Station Street
Subiaco, WA, 6008, Australia

T: 1300 4 TEMPO
E: info@tempoaust.com
W: www.tempoaust.com

About this Report:
This Annual Financial Report (Report) is lodged with the Australian Securities and Investment Commission and ASX Limited and is a summary of Tempo Australia Limited's (Tempo) operations, activities and financial position as at 31 December 2013. Any references in this report to 'the year' or 'the reporting period' relate to the financial year, which is 1 January 2013 to 31 December 2013 unless otherwise stated. All figures used in this report are Australian Dollars unless otherwise stated.

Tempo Australia Ltd (ABN 51 000 689 725) is the parent entity of Tempo group of companies. In this report references to 'Tempo', 'TPP' and 'the company' and 'we', 'us' and 'our' refers to Tempo Australia Ltd and its controlled entities, unless otherwise stated.

To review the report online, visit www.tempoaust.com or alternative contact Link Market Services Limited of Ground Floor, 178 St Georges Terrace, Perth WA 6000, +61 8 9211 6652.

2013

ANNUAL REPORT

TEMPO AUSTRALIA LTD

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Corporate Directory

Directors

Carmelo Bontempo	Chairman (Appointed as Chairman 7 Feb 2014)
Nick Bowen	Non-Executive Director (Resigned as Executive Chairman 10 November 2013)
Richard Wright	Non-Executive Director (Retired as Managing Director 30 June 2013) (Chairman 10 November 2013 to 7 February 2014)
Phillip Loots	Independent Non-Executive Director (Appointed 20 February 2014)

Executive Team

Giuseppe Leone	Chief Financial Officer / Company Secretary
Daniel Hibbs	General Manager

Stock Exchange Listing

The company's shares are quoted on the Australian Stock Exchange under the code TPP.

Registered office

Level 3, 38 Station Street
Subiaco, WA, 6008, Australia

Principal place of business

Level 3, 38 Station Street
Subiaco, WA, 6008, Australia

Telephone:	+61 1300 4 TEMPO
	+61 (8) 6180 2040
Fax:	+61 (8) 9388 1892
Email:	info@tempoaust.com
Website:	www.tempoaust.com

Postal address

PO Box 8075,
Subiaco East,
WA, 6008, Australia

Auditor

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

T: 08 9261 9100

www.rsmi.com.au

Share Registry

Link Market Services
Ground Floor
178 St Georges Terrace
Perth WA 6000

T: 08 9211 6652

www.linkmarketservices.com.au

Solicitor

Steinepreis Paganin
Level 4, The Read Buildings,
16 Milligan Street,
Perth WA 6000

T: 08 9321 4000

www.steinpag.com.au

Highlights

- ✓ H2 profitable, with NPBT of $0.257M for the half.
- ✓ Award and successful completion of a contract for construction services on the Cape Lambert Port B Expansion for Rio Tinto.
- ✓ Award and successful completion of a contract for the refurbishment of a fuel storage tank in the Pilbara
- ✓ Integration of businesses to a central office in Subiaco.
- ✓ $0.5m in capital raised through the issue of ordinary shares to Nick Bowen

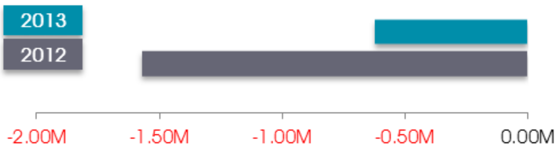
2013 In Review

$14.0m
Revenue

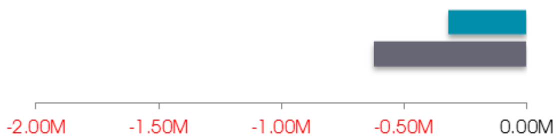
($0.3m)
Adjusted Loss before tax[1]

155.3m
Ordinary Shares on Issue
YE 2013

Loss Before Tax ($'M)

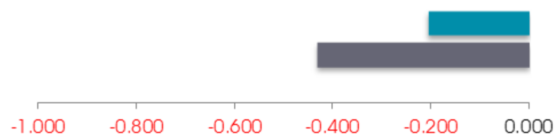


Adj'd Loss Before Tax [1] ($'M)

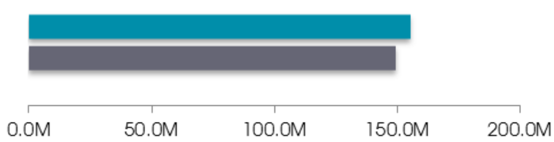


EPS Before Tax (cents)

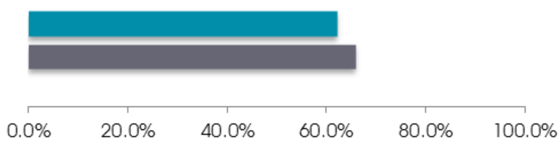
Adj'd EPS Before Tax Per Share (cents)



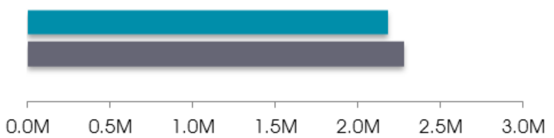
Issued Capital
(Shares)



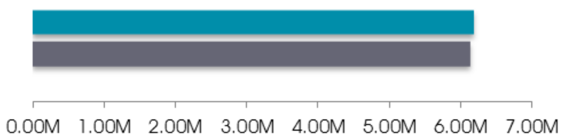
Top 20 Shareholders -
% of Issued Capital



Cash at Bank ($'M)



Net Assets ($'M)



1. Adjusted for acquisition and one-off non-operating items not expected in future years.

Shareholder Information

The information below is current at 26th March 2014, and includes additional information required by the Australian Securities Exchange Limited which is not shown elsewhere in this report.

Securities exchange listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

Distribution of shareholders

The number of shareholders, by size of holding, in each class of share is:

Category (Size of Holiding)	Number of Ordinary Shareholders	Number of Ordinary Shares	% of Issued Capital
100,001 and Over	158	140,489,805	90.44%
10,001 to 100,000	309	12,949,452	8.34%
5,001 to 10,000	103	829,439	0.53%
1,001 to 5,000	283	983,481	0.63%
1 to 1,000	258	87,631	0.06%
Total	1,111	155,339,808	100%

Non marketable securities which are holdings 1,300,043 ordinary shares are held by 579 shareholders (2012: 582).

Voting Rights

On show of hands: one vote for each member on poll: one vote for each share held.

Top 20 Shareholders

Name	Number of Shares	% of Issued Capital
1 BONTEMPO NOMINEES PTY LTD	17,750,000	11.43%
2 INVIA CUSTODIAN PTY LIMITED	17,445,773	11.23%
3 GAB SUPERANNUATION FUND PTY LTD	7,750,000	4.99%
4 NATIONAL NOMINEES LIMITED	5,918,193	3.81%
5 MR NICHOLAS RONALD BOWEN & MS MARIAN CONCEPTA WELSH	5,847,954	3.76%
6 PERSHING AUSTRALIA NOMINEES PTY LTD	4,864,286	3.13%
7 FUND CONTRIBUTION SERVICES PTY LTD	3,894,635	2.51%
8 MISS SILVANA MASALKOVSKI	3,620,457	2.33%
9 MR GIUSEPPE LEONE & MRS TERESA LEONE	2,857,143	1.84%
10 CEF SUPER PTY LTD	2,800,000	1.80%
11 FIRST STATE PTY LTD	2,777,778	1.79%
12 SEARCH POINT PTY LTD	2,750,000	1.77%
13 BLUEBASE PTY LTD	2,362,237	1.52%
14 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,104,637	1.35%
15 PEDY INVESTMENTS PTY LTD	2,000,000	1.29%
15 SEEFELD INVESTMENTS PTY LTD	2,000,000	1.29%
16 MR DANNY HANNA	1,637,858	1.05%
17 MR PETER JAMES DYKES	1,505,000	0.97%
18 MR PAUL SANTILLO	1,445,504	0.93%
19 AUST-SPORT FINANCIAL SERVICES PTY LTD	1,355,365	0.87%
20 MR MALCOLM BRUCE HINGSTON	1,321,486	0.85%
TOTAL	94,008,306	60.52%
Balance of Register	61,331,502	39.48%
Total Number of Ordinary Shares	155,339,808	100.00%

Health, Safety, Environment

Tempo's Health, Safety and Environmental (HSE) expectations are vital and integral elements of our business. They are embedded into our management system - "Tempo Way" with processes that influence everything that we do with our business. Tempo's Goal is to achieve HSE excellence in all task's and activities that we do.

Health and Safety

We strive for continuous improvement and ensure our Occupational Health and Safety Environment (OHSE) system in accordance with the OHS Act 1984 and OSH regulation 1996 codes of practise is providing a safe working environment for clients, customers, employees and subcontractors in all offices and on all projects no matter the geographical location.

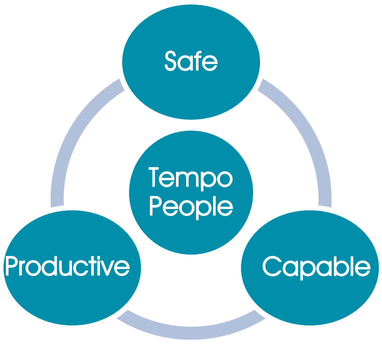
The company had only one minor lost time injury recorded in the year with the employee returning to normal duties within four days of the incident.

Tempo People

Our Workforce

We believe the success of Tempo will be driven by the success of our employees (Tempo People) and the way in which they deliver core services to our customers.

Tempo people are:



Our largest and most important asset which generates the majority of revenue is our people - not plant, not equipment and not proprietary technology.

Our primary focus is to recruit, develop and retain the best people, ensuring they are engaged with Tempo's core values and committed to the company's success.

We take all steps necessary to ensure safe and harmonious working environment and encourage our people to share our values.

The resource services market will remain robust for the foreseeable future and the ability to attract, recruit and retain skilled people successfully is a top priority for Tempo.

Environmental

We have developed in compliance with ISO 14001 an Environmental Management System that regularly assesses the suitability and conformance of the company's environmental protection measures and actions.

International Labour Pool

In addition to the local skilled staff, Tempo also has access to international talent through our labour agreement with IMMI to sponsor overseas skilled workers under sub-class 457 visas.

The ability to provide the number of people our clients require will be achieved through:

- Up-skilling and multi-skilling
- Training and development
- Increasing the existing resource pool
- Accessing the best skills anywhere
- Our tailored international recruitment programmes
- Providing our clients with access to overseas trades via our Government approved "on-hire" agreement.

Tempo has access to over 1,200 staff servicing the mining, hydrocarbons and resources sectors.

Directors' report

The directors present their report together with the financial report of the consolidated entity consisting of Tempo Australia Limited (Tempo) and the entities it controls, for the financial year ended 31 December 2013 and auditor's report thereon.

Principal activities

During the year ended 31 December 2013 the company generated revenues from construction, maintenance and personnel management activities which included the supply of blue collar trades as well as supervised teams.

Results

The consolidated loss after income tax attributable to the members of Tempo Australia Limited was $450,393.

Review of operations

Some of the significant items during the year included:

- 29 January 2013 - The Company announced the appointment of Mr Nick Bowen as Chairman.
- 22 March 2013 – The Company was awarded its first Construction and Maintenance contract, where Tempo provided construction services to support Laing O'Rourke's SMP Package Scope on the Cape Lambert Port B (50MTPA+50MTPA) Expansion Project for Rio Tinto.
- 2 May 2013 – The Annual General Meeting (AGM) was held and all resolutions put to shareholders were passed with the most significant being:
  - i. Approval of the issue of shares and attaching options to Nick Bowen.
  - ii. Approval of the Tempo Employee Share Option Plan.
  - iii. Removal of Pitcher Partners and Appointment of RSM Bird Cameron as Auditor.
- 14 May 2013 – The Company issued 5,847,954 shares at $0.0885 per share to raise A$500,000. Attached to this issue of shares were Class A and Class B options and are detailed in the next section of the report.
- 14 May 2013 – The Company's registered office and principle place of business changed from Sydney to Perth.
- 27 June 2013 – The Company received a letter of award for the refurbishment of a fuel storage tank in the Pilbara.
- 8 October 2013 – The Company announced that Nick Bowen would step down as Chairman of Tempo from the 11 November 2013. Nick continued as a non-executive Director of Tempo. Richard Wright assumed the role of Chairman from the 11 November 2013.

Cash Position

The overall net cash position in the year reduced by $97,362 to $2,178,543 at 31 December 2013 ($2,275,905 at 31 December 2012).

Significant changes in the state of affairs

Apart from the matters noted in the "Review of operations", "After balance date events" and in the financial statements and accompanying notes attached, there were no other significant changes in the state of affairs.

After balance date events

Carmelo Bontempo was appointed as Chairman from the 7th of February 2014. Richard Wright vacated the role of Chairman and continues as a Non-executive Director of Tempo.

Phillip Loots was appointed as Independent Non-executive Director on the 20th of February 2014.

Likely developments

The Group will continue its strategy of organic growth focusing on Western Australia, providing construction, maintenance and personnel management services to the resources sector.

Environmental regulation

The consolidated entity's operations are not subject to any significant Commonwealth or State environmental regulations or laws.

Dividend paid, recommended and declared

No dividends were paid, declared or recommended since the start of the financial year.

Share options

There were no repurchases, repayments of debt securities or equity securities in the year. Tempo has a "Dealing in Securities Policy" and an overview of the policy is available on the company website.

In 2013, the Company issued 12,220,908 options being

i. 5,847,954 A Class Unlisted Options – exercise price of A$0.1282 per ordinary share, expiring 10/05/15 and
ii. 5,847,954 B Class Unlisted Options – exercise price of A$0.1710 per ordinary share, expiring 10/05/16.
iii. 525,000 Unlisted options issued under Tempo ESOP – can only be exercised on the achievement of certain vesting conditions attached to the options and have an exercise price of A$0.15 per ordinary share, expiring 08/04/15.

Shares issued on exercise of options

There were no options exercised during the year.

Indemnification and insurance of Directors and Officers

For the year ended 31 December 2013 the Company had agreements to indemnify Directors and Officers of the Company against all liabilities to persons (other than the Company or related body corporate) which arise out of the performance of their normal duties as Directors or Executive Officers unless the liability relates to conduct involving lack of good faith.

The Company agreed to indemnify the Directors and Executive Officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity. The Directors' and Officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than the Company) incurred in their position as a Director or Executive Officer unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

The insurance policy does not allow specific disclosure of the nature of the liabilities insured against or the premium paid under the policy.

The company has not indemnified or agreed to indemnify the auditor of the company.

Proceedings on behalf of the consolidated entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

Information on Directors and Company Secretary

The qualifications, experience and special responsibilities of each person who is a director of Tempo Australia Limited during the financial year and up to the date of this report is provided below, together with details of the company secretary.

Mr Carmelo Bontempo - Initial appointment 3 August 2011
Experience and expertise
Mr Bontempo was one of the four founding partners of United Construction Holdings (today known as UGL Limited) where he held the positions of General Manager and Executive Director. He was also Managing Director of Monadelphous Group Limited and a key advisor to numerous private and publicly listed companies in Australia.

Current Directorships: None

Directorships in listed companies in the last three years:
None

Mr Nick Bowen- Initial appointment 11 March 2013
Experience and expertise
Nick has more than 30 years of experience in resources with open cut mining, underground mining and civil engineering both in Australian and Internationally as well as significant executive experience with ASX listed Macmahon which had peak revenues of $1.8B.

Current Directorships: None

Directorships in listed companies in the last three years:
Macmahon Holdings Ltd

Mr Richard Wright - Initial appointment 3 August 2011
Experience and expertise
Mr Wright is one of Australia's most experienced and respected leaders in mining and oil and gas development and began his career as a mechanical engineer in Australia's mining heartland of Broken Hill. He has started, grown, steered and governed a wide range of both public and private projects and has significant international experience working alongside industry leaders.

He has a proven track record of driving business growth with many successes in the resource development sector. He has held the position of Chairman, Managing Director and Board Member for both private and publicly listed companies in Australia, Europe and the USA in the mining, oil and gas, engineering and construction services/sectors.

Mr Wright has created businesses, turned start-up operations into thriving public companies, steered major corporations to sustained success, and delivered the largest resource development projects to meet demanding cost and timing targets. He has an outstanding record in both corporate governance and executive accountability.

Current Directorships: Mamba Minerals Limited

Directorships in listed companies in the last three years:
Brockman Resources Limited

Mr Giuseppe Leone – Company Secretary- Initial appointment 1 July 2012
Experience and expertise
18 years of financial, commercial and operational experience in Mining Services in the oil and gas, minerals and mining, chemical and power sectors across South East Asia, Australia and the Pacific Rim

Current Directorships: None

Directorships in listed companies in the last three years:
None.

Directors' Meetings

The number of meetings of the board of directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

	Directors' Meetings		Audit & Compliance Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Carmelo Bontempo	13	13	-	-
Nick Bowen	11	11	1	1
Peter Dykes	11	10	1	1
Giuseppe Leone	9	9	1	1
John Rainbow	4	2	-	-
Robert Whitton	11	11	1	1
Richard Wright	13	13	-	-

Directors' interests in shares or options over shares

Directors' relevant interests in shares of Tempo Australia Limited or options over shares in the company at the date of this report are detailed below.

	2013		2012	
	Ordinary Shares	Options over Ordinary shares	Ordinary Shares	Options over Ordinary shares
Carmelo Bontempo	17,969,000	-	17,969,000	
Nick Bowen	5,847,954	11,695,908	-	-
Peter Dykes	4,575,000	-	4,477,633	-
Robert Whitton	750,000	-	750,000	-
Richard Wright	17,445,773	-	17,055,073	-
Total	46,587,727	**11,695,908**	40,251,706	-

Auditor's Independence Declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided within this financial report.

Non-Audit Services

Non-audit services are approved by the board of directors. RSM Bird Cameron were appointed, and Pitcher Partners were removed as Auditors of the company on the 2nd of May 2013. Non-audit services provided by the auditors, RSM Bird Cameron, of the consolidated entity during the year and are detailed below. Pitcher Partners did not provide any non-audit services in 2013. The directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to an auditor for non-audit services provided during the year by the auditor to any entity that is part of the consolidated entity for:

	2013 $	2012 $
Taxation services	9,690	-

REMUNERATION REPORT - AUDITED

Remuneration policies

The board policy for determining the nature and amount of remuneration of directors and executives is agreed by the board of directors as a whole. The board obtains professional advice where necessary to ensure that the company attracts and retains talented and motivated directors and employees who can enhance company performance through their contributions and leadership.

For directors and executives, the company provides a remuneration package that incorporates both cash-based remuneration and share-based remuneration. The contracts for service between the company and specified directors and executives are on a continuing basis, the terms of which are not expected to change in the immediate future aside from normal negotiations on contracts as they approach their conclusion and the normal annual review processes expected in July each year. Due to the development nature of the business the remuneration policy is not directly related to company performance. The board considers a remuneration policy based on short-term returns and incentives alone would not be beneficial to the long-term creation of wealth by the company for shareholders.

Non-executive directors receive fees and share-based remuneration.
The company determines the maximum amount for remuneration, including thresholds for share-based remuneration, for directors by resolution. Directors' share-based remuneration was voted on by members at general meetings.

DIRECTORS' AND EXECUTIVES' COMPENSATION

(a) Details of Directors and Key Management Personnel

The directors and key management personnel during the year ended 31 December 2013 were:

Directors	
Richard Wright	Chairman (Appointed as Chairman 10 November 2013) (Resigned as Managing Director 30 June 2013)
Nick Bowen	Non-Executive Director (Resigned as Executive Chairman 10 November 2013)
Carmelo Bontempo	Non-Executive Director
Robert Whitton	Non-Executive Director (resigned 11 November 2013) (Resigned as Chairman 10 March 2013)
Peter Dykes	Non-Executive Director (resigned 4 November 2013)
Executive	
Giuseppe Leone	Chief Financial Officer / Company Secretary (appointed 1 July 2012)
Daniel Hibbs	General Manager (appointed 5 November 2012)

(i) Key Management Personnel compensation

	Short-Term				Post-employment		Long-term	Share-based payments	TOTAL	Total Performance Related
	Salary fees	Cash Bonus	Non-monetary	Other	Superannuation	Retirement benefits	Incentive plans	Options granted		
2013	$	$	$	$	$	$	$	$	$	%
Nick Bowen	74,598	-	-	-	6,808	-	-	-	81,406	Not applicable
Robert Whitton	45,742	-	-	-	-	-	-	-	45,742	Not applicable
Peter Dykes	30,000	-	-	-	-	-	-	-	30,000	Not applicable
John Rainbow	8,333	-	-	-	-	-	-	-	8,333	Not applicable
Richard Wright	137,833	-	-	-	9,000	-	-	-	146,833	Not applicable
Carmelo Bontempo	35,333	-	-	-	-	-	-	-	35,333	Not applicable
Giuseppe Leone	312,000	-	-	-	28,470	-	-	698	341,168	Not applicable
Daniel Hibbs	273,600	-	-	-	24,966	-	-	767	299,333	Not applicable
Total	**917,439**	**-**	**-**	**-**	**69,244**	**-**	**-**	**1,465**	**988,148**	
2012	$	$	$	$	$	$	$	$	$	%
Robert Whitton	80,000	-	-	-	-	-	-	-	80,000	Not applicable
Peter Dykes	40,000	-	-	-	-	-	-	-	40,000	Not applicable
John Rainbow	25,000	-	-	-	-	-	-	-	25,000	Not applicable
Richard Wright	193,333	-	-	-	-	-	-	-	193,333	Not applicable
Carmelo Bontempo	40,000	-	-	-	-	-	-	-	40,000	Not applicable
Giuseppe Leone	156,000	-	-	-	14,040	-	-	-	170,040	Not applicable
Total	**534,333**	**-**	**-**	**-**	**14,040**	**-**	**-**	**-**	**548,373**	

DIRECTORS' AND EXECUTIVES' EQUITY HOLDINGS

(a) Compensation Options: Granted, vested and exercised

	Number of Options '000				Exercised		Long-term	Share-based payments	TOTAL
	Held at 1 Jan 2013	Issued during the year	Exercised during the year	Held at 31 Dec 2013	Date	Price	Incentive plans	Options granted	
Nick Bowen	-	-	-	-	N/A	N/A	-	-	-
Robert Whitton	-	-	-	-	N/A	N/A	-	-	-
Peter Dykes	-	-	-	-	N/A	N/A	-	-	-
John Rainbow	-	-	-	-	N/A	N/A	-	-	-
Richard Wright	-	-	-	-	N/A	N/A	-	-	-
Carmelo Bontempo	-	-	-	-	N/A	N/A	-	-	-
Giuseppe Leone	-	250	-	250	N/A	N/A	-	250	250
Daniel Hibbs	-	275		275	N/A	N/A	-	275	275
Total	-	**525**	-	**525**			-	**525**	**525**

(b) Details concerning share-based compensation of directors and executives

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date	Vested at the end of year	Vesting Date
14 May 2013	8 April 2015	$0.06	$0.15	50%	0%	2.85%	$0.0067	-	28/02/2015

No options previously granted as remuneration have lapsed during the year.

There were no shares issued on exercise of compensation options during the year.

SERVICE AGREEMENTS

The company currently has service agreements with its directors. The agreements detailing the formal terms and conditions of the appointment, expected time commitment, procedure regarding conflicts of interest, performance appraisal, remuneration, superannuation and insurance arrangements. The Tempo Constitution governs the election and appointment of directors, rotation of elected directors, casual vacancies and eligibility for election. The terms and entitlements of non-executive directors are governed by normal employment law.

The following summarises the key provisions of service agreements with executives:

Name:	Giuseppe Leone
Title:	Chief Financial Officer / Company Secretary
Agreement commenced:	1st July 2012
Term of agreement:	Permanent Full Time
Details:	Base salary of $288,000 and motor vehicle allowance of $24,000 per annum plus superannuation. 6 months termination notice by either party, bonus of up to 30% subject to the satisfaction of specified milestones and performance criteria (both individual and company). Entitled to participate in the company's Employee Share Option Plan (ESOP) to the value of 30% of base salary subject to the satisfaction of specified milestones and performance criteria (both individual and company)
Name:	Daniel Hibbs
Title:	General Manager
Agreement commenced:	5th November 2012
Term of agreement:	Permanent Full Time
Details:	Base salary of $252,000 and motor vehicle allowance of $21,600 per annum plus superannuation. 3 months termination notice by either party, bonus of up to 30% subject to the satisfaction of specified milestones and performance criteria (both individual and company). Entitled to participate in the company's Employee Share Option Plan (ESOP) to the value of 30% of base salary subject to the satisfaction of specified milestones and performance criteria (both individual and company)

(END OF REMUNERATION REPORT)

Signed in accordance with a resolution of the directors.

Carmelo Bontempo
Director
Date 27 March 2014

CORPORATE GOVERNANCE STATEMENT

The comments below apply for the year ended 31 December 2013.

1. Approach to Governance

Tempo Australia Limited is committed to high standards of corporate governance and this is reflected in its culture, policies and business practices. The Tempo board has in place governance structures for the formation of strategic direction and policy including an overall framework of internal control, risk management and ethical standards.

This document outlines Tempo's corporate governance policies which conform to the Corporate Governance Principles and Recommendations released by the Australian Stock Exchange Corporate Governance Council in 2007 with the 2010 Amendments. The Board continues to review the framework and practices to ensure they meet the interests of shareholders.

2. Board Charter

2.1 Introduction

This Board Charter sets out the role, composition and responsibilities of the Board of Directors ("the Board") of Tempo Australia Limited ("The Company").

The conduct of the Board is also governed by the Constitution of Tempo Australia Limited and a number of operational matters relating to the Board such as number of meetings per year, notification of interests, and election of directors are governed by the Constitution and are not reproduced here.

2.2 Roles and Responsibilities

The Board is responsible for the corporate governance of the Tempo Australia Group of Companies (Group). The Board undertakes its role with the objective of ensuring the long-term health and prosperity of the Group for the benefit of shareholders, customers and employees.

The functions of the Board are to:

Provide effective leadership and collaborate with the Executive management team to:

- Articulate The Company's values, vision, mission and strategies
- Provide input to the development of strategic (direction) plans. Review approve and prioritise the strategic objectives and plans
- Review and agree the business (action) plans and annual budget proposed by the Executive management team and then subsequently monitor the outcomes
- Maintain open lines of communication with stakeholders
- Develop and maintain an appropriate organisational structure, internal control and accountability systems and processes for the business
- Establish, review (proactively), ratify appropriate risk management and internal control monitoring systems and procedures to ensure that significant business risks are adequately considered and managed
- Establish such committees, policies and procedures as will facilitate the effective discharge of the Board's roles and responsibilities as the Board sees fit. Ensure, as appropriate that The Company discharges its compliance obligations and functions effectively
- Ratify the appointment and removal of senior executives (including the CEO or equivalent)
- Ensure that organisation has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility
- Approve, monitor and manage major capital expenditure, acquisitions and divestures and
- Review and approve financial and other regulatory and/or compliance reporting.

A CEO if appointed will have delegated by the Board authority for the operations and administration of the organisation.

2.3 Membership and Term

The Constitution provides for the number of directors to be determined in a general meeting but with a minimum of 3 directors (so that a quorum can be formed to transact business at meetings).

Directors are free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act in the best interests of The Company.

Membership of the Board shall be disclosed in the annual report including whether a director is independent or not independent.

At each AGM two directors retire and can re-nominate for their positions.

The Board has not adopted a tenure policy, but according to the Constitution, each director must be re-elected by the membership after 3 years on the Board.

2.4 CEO

The roles of the Chair and CEO are strictly separated. The CEO is responsible for:

- policy direction of the operations of The Company
- the efficient and effective operation of The Company and
- bringing material, issues and other relevant matters to the attention of the Board in an accurate and timely manner.

2.5 Chair

The Directors will appoint the Chair of the Board. The Chair will not be a current or former CEO of The Company. Where the Chair is absent from a Board meeting, a Chair for the meeting will be appointed by the present members of the Board.

The Chair will serve as the primary link between the Board and management.

The Chair is responsible for:

- providing leadership to the Board
- ensuring that the Board works effectively and discharges its responsibilities
- working with the CEO and Company Secretary to set the agenda for each Board meeting and
- ensuring that all Directors are adequately briefed in relation to issues addressed at Board meetings.

2.6 Company Secretary

The appointment and, where appropriate, removal of The Company Secretary is a matter for the full Board.

All Directors will have direct access to The Company Secretary.

The Company Secretary is responsible to the Board for:

- ensuring that the principles and procedures of the Board are followed and
- monitoring and enhancing corporate governance processes.

2.7 Independent Directors

The Board considers independent decision-making as critical to effective corporate governance. Independent directors are considered to be those who have the ability to exercise their duties and are not influenced or restricted by any business or other relationship. The independence of non-executive directors is assessed by the Board against the definition outlined in the Board Charter.

2.7.1 Materiality Thresholds

An independent director must meet the following thresholds:

- Less than 10% of The Company shares are held by the Director and any entity or individual directly or indirectly associated with the Director;
- No sales are made to or purchases made from any entity or individual directly or indirectly associated with the Director that are not at arms-length; and
- None of the Director's income or the income of an individual or entity directly or indirectly associated with the Director is derived from a contract with any member of the economic entity other than income derived as a Director of the entity.

2.7.2 Right to Seek Professional Advice

Independent Directors have the right to seek independent professional advice at The Company's expense in the furtherance of their duties as Directors. Written approval must be obtained from the Chair prior to incurring any expenses on behalf of The Company.

2.8 Meeting and Reporting

The Board will meet in accordance with the Constitution of The Company.

Directors will use all reasonable efforts to attend each meeting of the Board and Committees of which they are members. Meetings may be held via teleconference as needed.

Board and Committee papers will be circulated to Directors prior to each Board and Committee meeting. Directors are expected to undertake adequate preparation to permit their effective contribution at each meeting.

At each Board meeting, Non-Executive Directors will be given the opportunity to meet without management present.

Proceedings of all meetings are minuted, circulated to all members of the Board, amended as required and, when signed by the chairman of the meeting, is the definitive record of the proceedings of meetings held.

Directors may pass a resolution without a Director's meeting being held.

Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

2.9 Publication of the Board Charter

Key features of the Charter are outlined in the Annual Report.

A copy of the charter is available on request and in any event will be made available on The Company website.

2.10 Review of the Board Charter

The Board will review this Charter annually to ensure it remains consistent with the Board's objectives and responsibilities and approve amendments as it considers appropriate.

3. Audit and Compliance Committee Charter

3.1 Introduction

The Board has established an Audit and Compliance Committee ("ACC") which operates under a Charter approved by the Board.

It is the Board's responsibility to ensure that an effective internal control framework exists within The Company to deal with the effectiveness and efficiency of business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

This charter sets out the responsibilities delegated by the Board to the Audit and Compliance Committee and the Committee's objectives, authority, composition and operation.

3.2 Audit and Compliance Committee ("ACC") Role and Responsibilities

The principal purpose of the Audit and Compliance Committee is to assist The Company Board in fulfilling its corporate governance and oversight responsibilities in relation to the risk management and internal control systems, accounting policies and practices, internal and external audit functions and financial reporting of The Company.

The Board has delegated the responsibility for the establishment and maintenance of the internal control framework and ethical standards to the Audit and Compliance Committee and The Board is responsible for overall oversight of risk management of The Company and reviews the risk register half yearly, or as required on escalation of high priority risks.

3.2.1 Composition

- All members of the ACC shall be Non-Executive Directors who possess the requisite qualifications and financial literacy
- The Chief Executive Officer, Chief Financial Officer, Company Secretary and other Executives shall be invited to attend meetings at the ACC's discretion; and
- The external auditors and other external experts shall be invited to attend meetings at the ACC's discretion.

Additionally, the ACC may invite relevant business specialists to attend meetings.

3.2.2 Audit Responsibilities

- Make recommendations to The Company Board as to the selection, appointment, re-appointment or replacement of the external auditor and rotation of the engagement partner
- Review with the external auditor the scope and terms of the audit and audit fee in accordance with The Company Board's policy on the provision of audit and other services by the external auditor, and make recommendations to The Company Board in respect of the audit fee
- Review and approve the scope and terms of the internal audit and, where appropriate, the audit fee
- Monitor the co-ordination between the external audit and internal audit programmes
- Oversee and appraise the quality and effectiveness of the audits conducted by the auditors
- Discuss and resolve any issues arising from audit reports, including any matters the auditors may wish to discuss in the absence of management
- Discuss with the external auditor any relationship that may impact on its objectivity or independence, and recommend to The Company Board any appropriate action to satisfy itself of the auditor's independence
- Require the external auditor to provide a formal written statement annually confirming its independence
- Obtain confirmation that the external auditor is aware of its responsibilities to The Company Board as the representative of shareholders
- Approve non-audit assignments that will be undertaken by the external auditor in accordance with The Company Board's policy on the provision of audit and other services by the external auditor, and monitor compliance with the policy; and
- Review the performance the internal audit function as appropriate.

3.2.3 Risk Management Responsibilities

- Monitor the process of identification, analysis, prioritisation, evaluation, remediation management of business risks as appropriate
- Review the business contingency planning process within The Company and be assured that material risks are identified and appropriate contingency plans are in place
- Ensure sufficient resources are allocated to managing risk within each business unit
- Implement and ensure the efficient and effective operation of the risk management policy, system and database across The Company business
- Escalation and reporting of key risks to The Company Board
- Oversight of individual The Company business units' specific responsibilities, in regards to risk management, which include the following:
    - educating employees and contractors at all levels of the business on the importance of risk management and assisting them with identifying such risks
    - bringing the risks to the attention of management as soon as possible
    - documenting risks including causes, analysis and evaluation of such risks
    - recommending and implementing actions for the treatment of risks
    - implementation of the risk management database and processes, including training of required participants; and
    - report risks to the ACC, including immediate escalation of significant risks.

3.2.4 Financial Reporting Responsibilities

- Review the half year and annual financial statements presented by management, together with reports and opinions from external auditors

- Review significant financial reporting issues and assess the appropriateness of accounting policies and methods chosen by management, particularly those relating to significant estimates and judgments
- Consider and make appropriate recommendations to The Company Board regarding major changes to accounting policies and procedures
- Review the reliability and appropriateness of disclosure in the financial statements and financial reporting to stakeholders, particularly with regard to estimates and judgments; and
- Make appropriate recommendations to The Company Board as to whether financial statements should be approved.

3.2.5 Compliance Responsibilities

- Monitor the effectiveness of The Company policies and practices that relate to compliance with laws, regulations and accounting standards
- Consider the impact of changes in accounting standards, listing rules and the Corporations Act; and
- Review and monitor related party transactions.

3.3 Authority

The ACC:

- is authorised to investigate any matter within the scope of its responsibilities and make appropriate recommendations to The Company Board
- will have unrestricted access to senior management of The Company and company records as required
- is authorised to meet with the external or internal auditors, without any other member of management being present, as the ACC deems appropriate; and
- is authorised to obtain any independent legal or other professional advice that it considers necessary to execute its functions.

3.4 Meetings of the Audit and Compliance Committee

Any ACC member may convene a meeting of the ACC or request the Secretary of the ACC to do so.

A quorum for an ACC meeting will be a majority of Committee members.

To the extent not inconsistent with this Charter, meetings of the ACC will be conducted in accordance with those provisions of The Company Board's Constitution which relate to the proceedings of meetings.

Non-Executive Directors who are not members of the ACC, the CEO, CFO will have a standing invitation to attend each ACC meeting, subject to exclusion as deemed appropriate by the ACC Chair from time to time. Other executives, the external auditor and external specialists may be invited by the ACC Chair of the Committee to attend part or all of any meeting. The ACC may ask management to present at ACC meetings on issues relevant to the ACC's duties and responsibilities.

Copies of Committee papers and reports, together with minutes of each Committee meeting, will be circulated to all Board members.

3.5 Authority to Seek Additional Information

The ACC shall have the authority to seek any information it requires from any officer or employee of The Company or its controlled entities and such officers or employees shall be instructed by The Company to respond to such enquiries.

To the extent the ACC deems necessary, the ACC may retain independent legal, accounting or other advisors.

3.6 Limitation of the Role of the Committee

Other than in relation to the work of the external auditor, the function of the ACC is oversight.

It is recognised that members of the ACC may not be full time employees of The Company and generally do not represent them to be experts in the fields of accounting or auditing, except in relation to the "financial expert" as required and described. As such, it is not the responsibility of the ACC personally to conduct accounting or auditing reviews or procedures. The eligibility criteria and required financial skills of ACC members are set out.

The Company Board may rely upon information provided by the ACC and its members, in relation to matters within the ACC's responsibility under the terms of this charter, provided that it has evaluated the information and is not aware of any reasonable basis upon which to question its accuracy.

Management of The Company is responsible for the preparation, presentation and integrity of the financial statements of The Company.

Management is responsible for implementing and maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations.

Internal audit are responsible for conducting independent reviews of the internal controls of The Company, having regard to the assessed risk profile of The Company.

The external auditors are responsible for planning and carrying out each audit and review, in accordance with applicable auditing standards. The external auditor is accountable to shareholders through the ACC.

3.7 Review of the Audit and Compliance Committee Charter

The ACC will, at least once in each year review the Charter and activities of the ACC, to meet the evolving needs of The Company and changes in the corporate governance environment.

The ACC will recommend to The Company Board the formal adoption of the revised charter for future operations of the ACC.

4. Risk Management Policy

4.1 Introduction

The Company is committed to effectively managing operational, financial and other risk in the context of the business strategies of The Company and with a view to achieving a balance between acceptable levels of risk and reward.

The Board of The Company recognises that risk management is of concern to all levels of the business and requires a risk management policy and process involving all personnel, with reporting structures to The Company Board.

The types of risk which may be faced by the company include:

Strategic Risk	The risks surrounding key assumptions about the: ▪ External environment ▪ Particular market concentration of resources in or dependence on a narrow range of products, markets, customers or suppliers
Operational Risk	The risk associated with losses resulting from inadequate or failed processes, people and systems or from external events that may consequence The Company
Market Risk	The risk associated with The Company operating in its core business markets
Financial Risk	The risk of potential financial loss where a customer or other party fails to meet their financial obligations to The Company or The Company is unable to source sufficient capital at an acceptable price
Reporting Risk	The risk and losses associated with inadequate or inaccurate financial, operational and regulatory reporting

This policy describes the risk management methodology, structure and system employed across The Company.

The policy was developed with reference to the ASX Corporate Governance Principles and the Risk Management standard produced by Standards Australia (AS/NZS 4360).

4.2 Risk Management System Overview

The Company risk management system ("the Policy") focuses on identifying analysing, evaluating and managing risk.

The risks are documented and recorded in a risk management database that reports to all participants and stakeholders of the process.

4.3 Risk Management System

Risk management is a fundamental corporate governance matter and is identified as a specific function and activity within the ASX Corporate Governance guidelines.

4.4 Risk
The chance of something happening that will have a consequence upon objectives. It is measured in terms of consequences and likelihood.

4.5 Risk Management System
The culture, processes and structures that are directed towards the effective management of risks.

4.6 Risk Management Process
The systematic application of management policies, procedures and practices to the tasks of identifying, analysing, assessing, treating and monitoring risk.

4.7 Identifying, Analysing and Evaluating the Risk
Each business unit is responsible for identifying and documenting the risks to that business unit. Thus the risks to The Company as a whole, including its causes, are identified and documented.

Each risk is then analysed in terms of likelihood and consequence and the adequacy of existing controls. These criteria are used to determine the level of risk, ranging from 'low' to 'extreme', and to aid in identifying the order of priority in which risks and their associated mitigating actions should be addressed by the businesses.

4.8 Managing the Risk
The Board oversees reviews and monitors the risk register half yearly, or in the case of escalated and high priority risks, quarterly.

The Board receives reports and escalations from the Audit and Compliance Committee ("ACC"). The ACC comprises The Company Chairman and the Chair of the ACC. It is charged with overseeing the management of all business risks across The Company with a particular view to ensuring that mitigating actions are being performed and overall risks are minimised.

In order to perform this task, the ACC may require input from various work teams or specialists within each business.

5. Shareholder Communication Policy

5.1 Introduction
Tempo Australia Limited ("The Company") is committed to dealing fairly, transparently and openly with both current and prospective shareholders.

In order to achieve the above, The Company seeks to:

- inform investors of the means by which they can obtain information about and communicate with The Company
- communicate effectively with The Company's shareholders; and
- provide all investors with equal and timely access to information about The Company.

The Company is committed to having an active Investor Relations capability in the form of a dedicated person responsible to communicate with the shareholders.

5.2 Approval
The Company Board will approve all shareholder communications unless this is impracticable to do so. Communications are to be approved by the CEO or Chair.

5.3 Communication Channels
The following methods of communication will be available to shareholders:

- Tempo Australia website
- email
- telephone
- facsimile and
- mail.

5.3.1 Websites
The Company maintains a comprehensive and up to date website (www.tempoaust.com) which includes a section dedicated to corporate governance policies and company charters.

The Company website is structured as the key day to day information resource for shareholders, potential investors and other stakeholders and hence will be regularly updated to ensure that the information remains current.

All announcements and filings lodged with the ASX and/or ASIC will be lodged on The Company's website on a timely basis under the NEWS section of the website.

The Company may also make available additional information to shareholders via the website such as presentations to industry conferences or broker presentations and analyst or media briefings.

The company will keep and include on its website a summary of topics discussed, group briefings with investors and analysts, including details of attendees and the time and place of such briefing.

In order to manage the cost of maintaining and hosting the website, all material, other than The Company's corporate governance policies and processes and the Annual report, may be removed 6 months after they have been posted.

5.4 Annual Reports and Notices of Meetings

All shareholders will receive Notices of Shareholder meetings in the agreed format and as per relevant legislation.

The Annual Report contains key financial, operating and corporate information about The Company.

A copy of the Annual report will be available on The Company's website and The Company ensures that their Annual reports are sent to all shareholders who have requested them.

5.5 Contacting The Company

Although The Company is committed to providing sufficient information to investors, it appreciates that they may have specific questions, require additional information or need to change their shareholder details. In order to address situations such as this, Directors have made themselves available for contact by a variety of means, being via letter, phone, fax and email.

The Company's contact details are available on their website (www.tempoaust.com).

5.6 Annual General Meeting

The Annual General Meeting is one of the primary means of The Company communicating with its shareholders.

Shareholders will be notified of any scheduled meeting dates as described above in paragraph 4.3 Risk Management System.

The Company encourages full participation of shareholders at the Annual General Meeting. As such, the Chair will provide reasonable time to answer any shareholder queries at the Annual General Meeting and answer frequently asked questions received by The Company from shareholders who were unable to attend the Annual General Meeting.

The Company's external auditors are invited to attend the Annual General Meeting in order to answer any shareholder queries concerning the conduct of the audit and the preparation of the auditor's report.

At the conclusion of the Annual General Meetings, all results will be announced to the ASX in accordance with the Listing Rules. As above, they will be made available to all investors in the same manner as other ASX announcements.

There may be matters to be voted on by the shareholders at the Annual General Meeting. If so, The Company will provide all relevant explanatory information and present it as clearly and unambiguously as possible in order to enable shareholders to make an informed decision.

5.6.1 Proxies

If shareholders are unable to attend the Annual General Meeting, a proxy, allowing shareholders to appoint a proxy, will accompany the Notice of Meeting.

5.7 Review of the Shareholder Communication Policy

This policy is subject to annual review and approved by the Board of The Company as required.

6. Continuous Disclosure Policy

6.1 Introduction

Tempo Australia Limited ("The Company") seeks to:

- provide equal access to information for all investors
- avoid the disclosure of price sensitive information to any person on a selective basis and
- promote investor confidence in the integrity of The Company and its securities.

In order to achieve this, The Company is committed to complying with the continuous disclosure requirements contained in the ASX Listing Rules and the relevant sections of the Corporations Act.

6.2 Policy

6.2.1 Guiding Principle

Except for certain confidential information that no reasonable person would expect to be disclosed, once The Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the securities of The Company it will immediately tell ASX that information.

Following receipt of confirmation that ASX has released information, lodged by The Company to the market, that information will be available on or through The Company's website.

6.2.2 Company Website

The website will be reviewed continuously to ensure that it is up to date, complete and accurate.

6.2.3 Responsibility for Disclosure

Directors, executive officers and employees are responsible for communicating to The Company material, price sensitive information of which they become aware including:

- a general description of the matter
- details of the parties involved
- the date of the event or transaction
- the estimated value for the transaction
- the effect on finances and operations of The Company and
- the names of any persons advising The Company in the matter.

Continuous disclosure is a standing item on the agenda for each regular meeting of the Board and all Directors are required to confirm details of any matter within their knowledge that might require disclosure to the market.

Managers are responsible for ensuring that their teams are aware of the continuous disclosure obligations of The Company and report material information on a continuous basis.

6.3 Reporting and disclosure

6.3.1 General Briefings

The Company interacts regularly with the market in a variety of ways including briefings, market announcements, regular updates on industry issues, one-on-one briefings, meetings and educational sessions.

6.3.2 Public Announcements - authorised spokespersons and releases

Staff will not comment to external parties on rumours, market speculation or discuss announcements released to the ASX.

Only staff or Board members authorised by the Board are permitted to make any public statement and/or speak to shareholders, investors, stockbrokers' analysts or the media on behalf of The Company.

All ASX and media releases are to be approved by the Board except for:

- urgent releases which must be approved by the Chair and advised to all Directors prior to release; and
- administrative releases such as disclosure of Directors' interests and substantial holder notices.

6.3.3 Market Speculation and Rumours

The stance of The Company regarding market speculation and rumours, consistent with the above, is a no comment policy.

If market speculation and rumours, whether substantiated or not, result in the ASX formally requesting disclosure by The Company on the matter, The Company will duly respond.

To ensure a consistent response to such occurrences, all instances of rumours should be reported to The Company Secretary as soon as they become known.

6.3.4 Briefings to Institutional Investors and Analysts

The Company will not communicate any price sensitive information to institutional investors, analysts or any other third party unless that information has first been disclosed to ASX.

The Company may hold general or one-on-one briefings with institutional investors or analysts. At such briefings, The Company will not disclose price sensitive information but may give background and other information to assist institutional investors and analysts to understand its strategy, financial performance and outlook and business operations.

One-on-one briefings include any communication between The Company and the investor or analyst including phone calls or e-mails.

If there is any inadvertent disclosure of price sensitive information during any briefing, it will be released to ASX as soon as practicable.

6.3.5 Answering Questions

Any staff member who receives a request for comment from an external third party is to refer the enquiry to the Board.

No price sensitive information that has not been disclosed to ASX will be provided at general, institutional investor or analyst briefings. Questions at briefings that deal with such price sensitive information will either:

- not be answered; or
- taken on notice and not answered until the information is released to ASX and
- receipt of confirmation that ASX has released that information to the market.

6.3.6 Joint Announcements

In situations where The Company needs to issue a joint announcement, The Company will seek to give the partner the opportunity to review the announcement prior to its release, provided that it does not compromise the ability of The Company to comply with its disclosure obligation(s).

6.3.7 Analyst Reports

The Company is not responsible for and does not endorse analyst reports that contain commentary on The Company.
The Company will not include any analyst report in its own corporate information, or post any analyst reports on its website.

The Company may review analysts' research reports but will limit its comments to factual matters and information previously disclosed.

If The Company is required to correct any factual inaccuracies contained in such reports, the correction made by The Company does not imply endorsement of the content of these reports.

6.3.8 Trading Halts

The Company may request a trading halt, when so, it must be approved by the Board unless it is urgent in which case it must be approved by the Chair (or a person authorised by the Chair) and advised to all directors prior to release.

During trading halts, The Company does not hold meetings or briefings with individual investors, institutional investors, analysts or media representatives unless such meetings or briefings are the subject of a specific announcement to the market via the ASX.

6.4 Other Matters

6.4.1 ASX Communications Officer

The Chair, the CEO and Company Secretary have been made responsible for all communications with the ASX.

All ASX announcements are sent by the Chair, the CEO or The Company Secretary with direction from the Board, using the electronic platform(s) of the ASX.

6.4.2 Role of The Company Secretary

The Company Secretary is responsible for the compliance of this Policy and in particular:

- review proposed external announcements and consulting with appropriate members of the Board and or external advisers as necessary
- report on continuous disclosure issues regularly to the Board
- monitor the effectiveness of this Policy
- establish a vetting process to ensure that the announcements are factual and do not omit any material information; and
- ensure that the announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

6.4.3 Role of the Chair

The Chair is responsible for overseeing The Company Secretary enact its functions regarding this policy and is authorised to speak on behalf of The Company in particular on:

- annual and half yearly results
- resolutions to be put to General meetings of The Company
- changes in directors
- any speculation concerning Board meetings and
- matters specifically related to shareholders.

6.4.4 Announcement Release Process

As soon as any employee, including Directors, becomes aware of material price sensitive information which has not been previously released by The Company, the appropriate persons of authority should be notified immediately.

The Company Secretary will review the information and consultation with, if deemed necessary, the Board and or external advisers, to determine whether the information requires to be disclosed.

If the information is of a nature that is required to be disclosed, The Company Secretary will prepare a draft announcement.

The Board or Chair will approve the draft announcement.
The announcement is lodged by either the Chair or The Company Secretary.

After receipt of ASX's acknowledgement that the announcement has been released to the market, the announcement will be placed onto the website.

6.4.5 Review of the Continuous Disclosure Policy

This policy will be reviewed annually by the Board of The Company and will be revised, when necessary, in order to keep abreast of best practice and ensure compliance with their legal obligations.

The Company maintains records of those matters considered for disclosure and will develop policies that promote a consistent approach to disclosure.

7. Share Trading Policy

7.1 Introduction

7.1.1 This policy imposes constraints on directors, employees and consultants dealing in securities of the Company. It also imposes disclosure requirements on directors.

7.1.2 This policy has been adopted by the Board of the Company.

7.2 Objectives

7.2.1 The objectives of this policy are to:

- minimise the risk of directors, employees and consultants of the Company contravening the laws against insider trading;
- assist the Company in meeting its reporting obligations under the ASX Listing Rules; and
- increase transparency with respect to dealing in securities of the Company by Key Management Personnel.

7.2.2 To achieve these objectives, directors, employees and consultants should treat this policy as binding on them in the absence of any specific exemption by the Board.

7.3 What is insider trading?

7.3.1 The Corporations Act 2001 (Cth) (Corporations Act) prohibits persons who are in possession of information that is not generally available to the public and which a reasonable person would expect to have a material effect on the price of securities in the Company (price sensitive information) from:

- dealing in the securities; or

— communicating the price sensitive information to others who might deal in the securities.

7.3.2 Information is 'generally available' if, amongst other things, it consists of readily observable matters or it has been brought to the attention of investors by an ASX announcement and a reasonable period for its dissemination has elapsed since the announcement.

7.3.3 Directors, employees and consultants of the Company will from time to time be in a situation where they are in possession of price sensitive information. Examples are the period prior to release of annual or half-yearly results to the Australian Securities Exchange (ASX) and the period and the period during which a major transaction is being negotiated.

7.4 No dealing in securities of the Company when in possession of Price Sensitive Information

7.4.1 Directors, employees and consultants in possession of price sensitive information must not at any time:

- deal in securities of the Company;
- advise, procure, encourage or suggest another person deal in securities of the Company; or
- communicate the price sensitive information, or cause the price sensitive information to be communicated, to a person who may deal in securities of the Company or may procure another person to deal in securities of the Company.

7.4.2 A contravention of the insider trading prohibitions is an offence and exposes a person to criminal and civil liability, including liability under civil damages actions and compensation orders. The penalty for a breach of the insider trading prohibition is a fine up to $220,000 for a natural person (and up to five times the maximum for a body corporate) or 5 years imprisonment, or both.

7.4.3 Key Management Personnel must ensure that external advisers who may receive price sensitive information are bound by confidentiality agreements or other enforceable confidentiality obligations.

7.4.4 The Company may also publish from time to time a list of securities in other companies which directors, employees and consultants are prohibited from dealing in due to the Company being in possession of price sensitive information in respect of those companies (Restricted Securities List). Directors, employees and consultants must not at any time deal in securities on the Restricted Securities List.

7.5 Key management personnel not to deal in securities of the Company during Restricted Periods

7.5.1 In addition to the restrictions in clauses 7.4, 7.6.4 and 7.8 but subject to paragraph 7.9, Key Management Personnel must not deal in securities of the Company during the following periods:

- from the balance date until the second trading day after the Company's annual or half-yearly results have been released to ASX; and
- any other period designated by the Board
- Restricted Periods

7.6 Key Management Personnel Securities Trading Policy

7.6.1 At all other times outside the Restricted Periods, Key Management Personnel should not deal in securities of the Company unless:

- they have satisfied themselves that they are not in possession of any inside information that is not generally available to the public;
- they have contacted the Chairman or Company Secretary, and notified them of their intention to do so; and

7.6.2 Where the Chairman wishes to deal in securities, he or she has contacted the Company Secretary or, in his absence, a Non-Executive Director, and notified them of his or her intention to do so. Notification to the Chairman or

Company Secretary is intended as a compliance monitoring function only and is not an endorsement of the proposed dealing.

7.6.3 Key Management Personnel remain responsible for their own investment decisions and compliance with the law.

7.6.4 Key Management Personnel should wait a full trading day after disclosure of inside information by the Company before dealing in securities so that the market has had time to absorb the information.

7.7 No short-term dealing in securities of the Company

7.7.1 Key Management Personnel must not at any time engage in short term dealing in securities of the Company.

7.7.2 Short-term dealing is considered to be dealing where the acquisition and disposal of securities occurs within 6 months of each other.

7.7.3 The Chairman may, at their discretion, permit Key Management Personnel to trade in securities in circumstances that would contravene this paragraph if that Key Management Personnel establishes hardship and that they do not have inside information.

7.8 No hedging

7.8.1 Despite any other part of this policy, Key Management Personnel must not at any time enter into transactions in associated products which operate to limit the economic risk of security holdings in the Company.

7.9 Trading in exceptional circumstances during Restricted Periods

7.9.1 Key Management Personnel may be granted prior written clearance by the Chairman or Company Secretary to deal in securities of the Company during the Restricted Periods if there are exceptional circumstances (provided that he or she is not in possession of unpublished, price sensitive information (see paragraph 7.4)).

7.9.2 Exceptional circumstances are:

- financial hardship whereby the relevant Key Management Personnel has a pressing financial commitment that cannot be satisfied other than by dealing in securities of the Company; or
- a court order or court enforceable undertakings directing the dealing in securities of the Company.

7.9.3 Key Management Personnel wishing to deal in securities of the Company during a Restricted Period based on exceptional circumstances must apply in writing (email is acceptable) to the Chairman or Company Secretary for prior written clearance to deal in those securities. The application must include the following information:

- details of the exceptional circumstances;
- the number of securities of the Company that he or she wishes to deal in;
- the way in which he or she wishes to deal in those securities;
- a request for clearance to deal in those securities; and
- confirmation that he or she is not in possession of any price sensitive information.

7.9.4 The Chairman or Company Secretary must consider the objectives of this policy and the purpose of the ASX Listing Rules in making a determination as to whether to provide consent to deal in securities of the Company during a Restricted Period.

7.9.5 Any consent provided by the Chairman or Company Secretary under this policy must:

- be in writing (email is acceptable); and
- outline the duration of the clearance (no more than 5 trading days).

7.9.6 Clearance by the Chairman or Company Secretary is intended as a compliance monitoring function only and is not an endorsement of the proposed dealing. Key Management Personnel remain responsible for their own investment decisions and compliance with the law.

7.10 Notification of dealing in securities

7.10.1 Key Management Personnel must notify the Company Secretary immediately after acquiring or disposing of a relevant interest in any securities of the Company.

7.10.2 Directors have entered into an agreement with the Company under which they are obliged to notify changes in interests in shares and other relevant matters in sufficient detail to allow the Company to comply with the ASX Listing Rules.

7.11 Margin Lending

7.11.1 ASX, in its Companies Update of 29 February 2008, has also highlighted that in certain circumstances, the Company may be required to disclose details of the margin lending arrangements of Key Management Personnel in respect of their securities of the Company (if any) if that information would be price sensitive under ASX Listing Rule 3.1.

7.11.2 To enable the Company to comply with ASX Listing Rule 3.1, any Key Management Personnel who enter into margin lending arrangement or otherwise encumber their securities of the Company (Security Arrangements) is required to provide details of those Security Arrangements to the Chairman (who will notify the Company Secretary) upon entering into, and on any change occurring to, the Security Arrangements. Security Arrangements may be subject to prohibitions on dealing in securities in the Company contained in this policy.

7.11.3 The details of the Security Arrangements that must be provided pursuant to paragraph 7.11.1 must include the number of securities of the Company involved, any trigger points, the right of the lender or security holder to sell the securities unilaterally and any other material details.

7.12 Directors Notification of dealings in Securities

7.12.1 ASX Listing Rules 3.19A and 3.19B require the Company to notify dealing in securities by Directors within 5 business days.

7.12.2 Section 205G of the Corporations Act 2001 requires a Director of a listed company to notify ASX within 14 days of acquiring or disposing of a relevant interest in any Securities of the Company. This is an obligation of the Director, not the Company. There is no prescribed form for such notifications.

7.12.3 ASIC has granted class order relief from the requirements of section 205G where notifications are made by the Company under Listing Rules 3.19A and 3.19B.

7.13 Penalties

7.13.1 Strict compliance with this policy is a condition of employment.

7.13.2 A contravention of this policy by any Key Management Personnel may result in the summary dismissal of that person.

7.14 Application

7.14.1 This policy applies to all directors, employees and consultants and its subsidiaries.

7.14.2 For the purposes of this policy, directors, employees and consultants "dealing" in securities of the Company includes associates of directors, employees and consultants dealing in securities of the Company. It is incumbent on each director and employee to take all reasonable steps to ensure that an associate does not deal in circumstances where the dealing could be attributed to the director or employee concerned and would involve a contravention of this policy if the dealing had been undertaken by the director or employee concerned. Associates include your relatives, entities which you control and entities you are acting in concert with.

7.14.3 Despite anything in this policy, the following types of dealing are excluded from the operation of this trading policy:

- transfers of securities of the Company already held in a superannuation fund or other saving scheme in which the restricted person is a beneficiary and where the investments are made at the discretion of a third party;
- an investment in, or dealing in units of, a fund or other scheme (other than a scheme only investing in securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a restricted person is a trustee, trading in securities of the Company by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- undertakings to accept, or the acceptance of, a takeover offer;
- dealing under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board of the Company. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- the exercise (but not the sale of securities of the Company following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security.

7.14.4 The Board of the Company has absolute discretion to prohibit directors, employees and consultants from dealing in securities of the Company at any time.

7.15 Definitions

For the purposes of this policy:

- **Dealing in securities** includes:
  - applying for, acquiring or disposing of, securities;
  - entering into an agreement to apply for, acquire or dispose of, securities;
  - granting, accepting, exercising or discharging an option or other right or obligation to acquire or dispose of securities;
  - trading in financial products issued or created over securities; and
  - entering into transactions in financial products which operate to limit the economic risk of security holdings;
- **Key Management Personnel** has the meaning given to it in the ASX Listing Rules and includes the people listed below;
  - Each Director of the Company
  - All members of the board of subsidiaries of the Company
  - The Chief Executive Officer, and any Chief Operating Officer or General Manager of any division of the Company or a subsidiary of the company
  - Any other Director appointed to the board of the Company or a board of a subsidiary of the Company
  - The General Manager of any division of the Company or a subsidiary of the Company
  - The Chief Financial Officer of the Company
  - The Company Secretary of the Company

- All other executives who directly report to the Chief Executive Officer or Chief Operating Officer
- Other executives as determined by the board from time to time
- Other than any of the persons listed above, an Officer of the Company as defined by section 9 of the Corporations Act
- Other than any of the persons listed above, an employee having authority and responsibility for planning, directing and controlling the activities of the Company or any subsidiary of the Company

— **price sensitive information** has the meaning given in clause 7.3.1;

— **securities** includes shares, options over those shares and any other financial products of the Company traded on ASX

8. Diversity Policy

8.1 General Purpose and Principle

(a) The Group respects and values the competitive advantage of "diversity", and the benefit of its integration throughout the Group, in order to enrich the Group's perspective, improve corporate performance, increase shareholder value, and enhance the probability of achievement of the Group's objectives ("principle")

(b) This Principle will manifest itself in the following areas:

i. Strategic and operational:

A. being attuned to diverse strategies to deliver the Group's objectives,

B. being attuned to diverse corporate, business and market opportunities; and

C. being attuned to diverse tactics and means to achieve those strategies in (A) and to take advantage of those opportunities in (B).

ii. management:

A. adding to, nurturing and developing the collective relevant skills, and diverse experience and attributes of personnel within the Group;

B. ensuring the Group's culture and management systems are aligned with and promote the attainment of the Principle.

(c) The Group will develop strategies, initiatives and programs to promote the Principle, including the achievement of gender diversity with respect to the matters referred to in paragraph 8.1(b)(ii).

(d) In particular, the Group will set measurable objectives, and targets or key performance indicators (KPIs), for the strategies, initiatives and programs to achieve gender diversity with respect to the matters referred to in paragraph 8.1(b)(ii).

(e) The Group will implement the strategies, initiatives, programs and measurable objectives referred to in (c) and (d).

(f) Management will monitor, review and report to the Board (including via the Nomination and Remuneration Committee on the achievement of gender diversity with respect to the matters referred to in paragraph 8.1(b)(ii)), the Group's progress under this Policy.

8.2 Responsibility for Policy

(a) Although the Board retains ultimate accountability for this Policy, the Board has delegated responsibility for Policy implementation to the CEO.

(b) In turn the CEO has delegated to the Company Secretary responsibility for the administration of this Policy (including its reporting to the Board, or its relevant sub-committee as appropriate).

8.3 Measurable Objectives, Targets and Key Performance Indicators (KPIs) - Gender Diversity

With respect to gender diversity, management will:

(a) develop, for approval by, the Board or its relevant subcommittee, as appropriate:

i. measurable objectives concerning the strategies, initiatives and programs referred to in paragraph 8.1(c);

ii. targets or key performance indicators (KPIs) to verify progress towards attainment of those measurable objectives.

(b) measure performance against those targets and KPIs,

(c) report from time to time on the progress of the matters referred to in (a) and (b)

8.4 Compliance Requirements

(a) The Company will meet its obligations with respect to the issue of "Diversity", as may be required under the ASX Corporate Governance Principles and Recommendations (2nd Edition) ("ASX Principles") and other regulatory requirements (if any), including by:

i. establishing this Policy as a compliant policy under ASX Guideline 3 2(a) by:

A. establishing measurable objectives for achieving gender diversity;

B. the Board assessing annually the measurable objectives for achieving gender diversity and the progress in achieving them.

ii. disclosing this Policy or a summary of it under ASX Guideline 3.2(b);

iii. in its annual report, and in the terms of ASX Guideline 2.4, disclosing the processes the Board adopts and the criteria the Board takes into consideration in its selection of prospective new Board members;

iv. in, its annual report, and in the terms of ASX Principles 3.3 and 3.4, disclosing:

A. the measurable objectives for achieving gender diversity set by the Board in the terms of this Policy;

B. the progress from time to time towards achieving them;

C. the proportions in the Group (relative to their male counterparts) of:

- female employees;
- females in senior executive positions;
- females on the Board.

v. incorporating in the corporate governance statement in the Company's annual report a statement as to the mix of skills and diversity that the Board is looking to achieve in membership of the Board, in the terms of ASX Guideline 2.6.

(b) The Company Secretary will assume line responsibility to assure that the Company meets its compliance and reporting obligations referred to in (a); including by collecting and collating all relevant data and ensuring that management processes and systems are adequate and effective for such reporting obligations to be met.

8.5 Communication

The Company commits to the communication of this Policy within the Group and to its shareholders and the market, including via its website:

i. by way of transparency and accountability; and

ii. to better promote the prospects of attainment of the Principle.

8.6 Accountability

(a) Reporting and accountability in the terms of this Policy will be a periodic item on the Board Agenda.

(b) At least annually the Nomination and Remuneration Committee will report to the Board on progress towards attainment of the Principle with respect to the matters referred to in paragraph 1(b)(ii), and otherwise to facilitate the Board in meeting its Compliance Requirements, under paragraph 8.4.

8.7 Addenda to this Policy

The following shall constitute addenda to this Policy as if set out in this Policy:

(a) approved strategies, initiatives and programs and measurable objectives referred to in paragraph 1(c); and

(b) approved measurable objectives, targets and KPIs referred to in paragraph 8.1(d);

as may apply from time to time.

8.8 Overriding Caveat

Nothing in this Policy shall be taken, interpreted or construed so as to endorse:

(a) the principal criteria for selection and promotion of people to work within the Group being other than their overall relative prospect of adding value to the Group and enhancing the probability of achievement of the Group's objectives;

(b) any discriminatory behaviour by or within the Group contrary to the law, of any applicable codes of conduct or behaviour for the Group and its personnel;

(c) any existing person within the Group in any way feeling threatened or prejudiced by this Policy in their career development or otherwise, merely because their Diversity attributes at any time may be more, rather than less, common with others.

8.9 Remuneration Committee

The Directors have decided not to appoint a Remuneration Committee due to the scale and nature of The Company's activities. However, the Board actively researches appropriate remuneration for senior employees in particular and significant decisions are generally made by all Board members at a Directors' meeting. It is The Company's objective to provide maximum stakeholder benefit from the retention of a high quality board by remunerating Directors fairly and appropriately with reference to relevant market conditions. To assist in achieving this objective, the Board attempts to link the nature and amount of Directors' emoluments to The Company's performance.

The objective of the remuneration approach is:

- the retention and motivation of key executives;
- attraction of quality personnel with appropriate expertise; and
- performance incentives that allow executives to share the rewards of the success of The Company.

For details of the amount of remuneration and all monetary and non-monetary components for each of the Directors during the financial year, refer to the Directors' Report. There is no scheme to provide retirement benefits, other than statutory superannuation for Directors who are paid a salary. Non-Executive Directors are remunerated by way of fees and share-based remuneration and are not entitled to receive bonus payments or participate in other schemes available to the executives of the company.

9. Board and Director Evaluation

Tempo Australia Limited ("the Company") full Board is responsible for conducting each year an evaluation of the Board's performance, including the performance and contribution of the Board as a whole and the Board members individually.

9.1 Board Evaluation Process

Annually the Corporate Governance Committee will prepare a questionnaire to be completed by each director to evaluate the performance of the Board.

The object of the questionnaire is to assist the Chairman of the Board to:

a) assess the overall performance of the Board and measure the contributions made by the directors, both collectively and individually;

b) evaluate the processes in place for the Board to operate effectively and make decisions in the best interests of the Company;

c) enhance and maintain best corporate governance practices; and

d) meet regulatory requirements regarding corporate governance.

9.2 Director Evaluation Process

Individual directors

Annually the Corporate Governance Committee will prepare a questionnaire to be completed by each director to evaluate the performance of individual directors. The questionnaire will ask directors, other than those who are due to retire, to evaluate both themselves and their colleagues as directors. It will also ask directors to evaluate the Chairman, the Chief Executive

Officer and directors serving as the chairman or as the chairman of any committee established by the Board in their roles as chairs.

a) The object of the questionnaire is to improve the overall performance of the Board by assessing each director's contribution and effectiveness in enhancing and maintaining best corporate governance practices;

b) strategic thinking and decision making;

c) contribution to resolution of divergent views;

d) proactive participation;

e) leadership through vision and values;

f) Commercial and business acumen.

The questionnaire will also assist individual directors to build on their strengths and assess their need for continuing education.

9.3 Renominating directors

The Corporate Governance Committee will also prepare section in the questionnaire to evaluate the effectiveness of re-nominating directors.

9.4 The Evaluation Process

The following process is to be adopted:

a) In July of each year, each Director will receive customised Board and Director evaluation forms to be completed by the end of August.

b) The evaluation forms, consisting of three parts, are attached.

1. Part I is an evaluation of the effectiveness of the Board as a whole and consists of a series of questions regarding Board responsibilities, how well the Board has conducted itself at meetings and the Board's relationship with the Chief Executive Officer.
2. Part II is an evaluation of the effectiveness of Board committees.
3. Part III is an evaluation of the performance of individual Board members including an evaluation for re-nominating directors.

c) An additional section Part IV is a separate self-evaluation required to be completed by the re-nominating Directors

d) The completed questionnaire is to be returned to the Chairman.

e) The Chairman will conduct separate interviews with each director to discuss the results of the Board, committees' and directors' evaluations.

f) The Chairman will report to the Board on the results of the questionnaires following the completion of the interviews.

10. Nomination Committee

The Directors have decided not to appoint a Nomination Committee due to the scale and nature of The Company's activities.

Subject to the provision of The Company's Constitution, the issues of board composition including diversity and selection criteria for Directors are dealt with by the full board. The board continues to have the mix of skills and experience necessary for the conduct of The Company's activities.

The Company's Constitution provides for events whereby Directors may be removed from the board. Similarly shareholders have the ability to nominate, appoint and remove Directors. In addition, the Constitution provides for the regular rotation of Directors which ensures that Directors seek re-election by shareholders at least once every three years. Given these regulatory requirements, Directors are not appointed for a specified term and Directors' continuity of service is effectively in the hands of shareholders.

11. Code of Conduct

11.1 Introduction

As part of its commitment to recognising the legitimate interests of stakeholders, The Company has established a Code of Conduct to guide compliance with legal and other obligations to stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as a whole.

The objective of this policy is to demonstrate the commitment of Tempo Australia Limited ("The Company") to ethical standards and practices.

This policy known as The Company Code of Conduct ("the Code") is not intended to prescribe an exhaustive list of acceptable and non-acceptable behaviour rather it is intended to guide behaviour in order to maintain confidence in integrity of The Company.

11.2 Code Violations

Commitment to the integrity of The Company and this Code is taken seriously. Any breach to the Code constitutes misconduct and will lead to disciplinary action which may include dismissal and/or legal action.

11.3 Scope

This policy applies to all Directors, Officers, The Company Secretary and all executives of The Company.

11.4 Responsibilities

11.4.1 Directors

All Directors and all officers of The Company must, as far as possible:

- act with the utmost integrity, objectivity, ethically and responsibly
- strive at all times to enhance the reputation and performance of The Company and related entities
- act in accordance with the interests of shareholders, staff, clients and all other stakeholders in The Company
- undertake their duties with care and diligence
- ensure that any personal opinions expressed are clearly identified as their own and are not represented to be the views of The Company
- value individuals' differences and treat people with respect
- not enter into transactions or make promises on behalf of The Company that The Company does not intend to honour
- be in full compliance with the letter and spirit of the Code, and
- comply with the relevant law in all activities.

If an Officer becomes aware of unlawful or unethical behaviour, he or she will report it to the Chair. The identity of the Officer reporting the violation in good faith will remain confidential.

11.4.2 Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights.
The Company has processes in place designed to ensure the truthful and factual presentation of The Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

11.4.3 Clients, Customers and Consumers

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of The Company's clients, customers and consumers. The Company for its part is committed to providing clients, customers and consumers with fair value.

11.5 Employment Practices

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of The Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

11.6 Conflicts of Interest

A conflict of interest will occur where an individual's private or professional interests are sufficient to influence or give the appearance of influencing, the performance of his or her duties.

Private interests can be direct or indirect and refers not only to the individual but also to family members and friends.

Officers are not to give preference to personal interests or to the interests of any associate or other person, where to do so would be in conflict with the interests of The Company.

Should there be any likelihood of a conflict of interest arising, full disclosure should be made to the Chair and written approval obtained before acting.

11.7 Gifts

Common sense regarding gifts from external parties must be applied.

Gifts and personal benefits can include accommodation, goods, services and discounts on items.

Gifts or personal benefits of any value from external parties are not to be accepted if it could be perceived that this could create an obligation, affect objectivity, compromise or influence any decision made by The Company.

11.8 Contributions

Bribes, kickbacks, inducements or other illegal payments of any kind must not be made to any third party in order to receive favourable treatment for any purpose.

Officers of The Company must not seek or accept any type of compensation, fee, commission or gratuity from a third party in connection with the operations of The Company.

11.9 Corporate Opportunities

Officers must not misuse information, their position or opportunities arising as a result of their position within The Company, improperly gain advantage for themselves or for someone else or to cause detriment to or compete with The Company.

Officers must not use the name of The Company to further any personal or other business transaction for their personal benefit.

11.10 Confidentiality

Customers, suppliers and other stakeholders entrust The Company with their confidential communications and information daily.
Confidential information includes internal or propriety information related to The Company's business, technological and other knowledge, processes, computer passwords, computer software, product formulations, business strategies and plans, and information concerning the company's operations, customers, vendors, shareholders suppliers and employees.

Confidential information received by an officer of The Company in the course of his or her duties remains the property of The Company and should not be disclosed to any other person without the prior written consent of the Chair unless the disclosure is required by law or in accordance with their duties as an officer of The Company.
Officers of The Company should respect the privacy of others.

Officers of The Company must protect proprietary, commercial and other information that is confidential to The Company. These obligations continue after the Officer's engagement with The Company ends.

11.11 Protection of Assets

The assets of The Company include such items as IT and manual systems, information, intellectual property and networks of contacts, customers and suppliers.

Officers of The Company are responsible for taking all prudent steps to ensure the protection of the assets and resources of The Company from loss, damage, misuse, waste and theft.

Officers of The Company must ensure that the assets and resources of The Company are used only for lawful business purposes authorised by The Company.

11.12 Compliance With the Law

Officers of The Company should comply with the letter of the law and, where it is clear the spirit of all laws and regulations relating to their business, conduct to the best of their abilities.
Officers of The Company should abide by the laws, rules and regulations of the countries in which they are operating.

Officers of The Company should undertake training on legal obligations and policies as required.

The laws that govern the activities of The Company may be complex, but ignorance of the law does not excuse Officers of The Company from their obligations to comply.

Officers of The Company should not engage in conduct likely to have an adverse effect on the reputation of The Company.

The Company, its directors and employees will cooperate fully with any regulatory body in any properly constituted investigation.

The Company is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs.

11.13 Fair Dealing

Officers must act fairly and honestly in all their dealings with and on behalf of The Company.

Officers of The Company are not to take advantage of any party dealing with The Company through illegal conduct, undue influence, concealment, manipulation, abuse of privileged or confidential information, misrepresentation of material facts or any unfair dealing practice.

Business relationships must be maintained in a way which is consistent with the principles of respect for others and fairness.

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company will only engage in fair competition.

The Company strives to deal fairly with the customers, suppliers, competitors and other employees and encourages its employees to strive to do the same.

11.14 Political Contributions and Activities

The Company maintains a position of impartiality with respect to party politics. Accordingly The Company does not contribute funds to any political party, politician, or candidate for public office.

The Company does not prohibit Officers of The Company from making personal political contributions but should not use their role with The Company for political interests at any time.

11.15 Monitoring Compliance

The Board, management and all employees of The Company are committed to implementing this code of conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the code.

11.16 Review of the Code of Conduct

This code is subject to annual review by the board of the company and revised when required.

12. Gender Diversity

The group has a commitment to diversity and seeks to promote an inclusive culture where people are encouraged to succeed to the best of their ability. Their commitment means that the group has policies and procedures to ensure it has an environment supportive of equal opportunity and equal access to career development, remuneration, and benefits. Nevertheless, given the limited number female trade labour registered with the group, it is proven difficult to achieve gender diversity in the pool of trade labour. And As a result, the gender diversity is measured for management and administrative staff instead of the entire workforce. The group's management and administrative staff is split female 30% and male 70%. Currently there are no female senior executives.

Group's commitment to diversity means that it works to ensure that it has an environment supportive of equal opportunity and with equal access to career development, remuneration and benefits through the implementation of practices, procedures and policies which support, among other matters, diversity.

Group believes that diversity is about recognising and valuing the contribution of people from different backgrounds, with different backgrounds, with different perspectives and experiences. Diversity includes but is not limited to gender, age, disability, ethnicity, religion and cultural background.

13. Corporate Governance Principles and Recommendations

In accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations: 2nd Edition (Revised Principles) ('the Principles'), the corporate governance statement reports on the consolidated entity's adoption of the Principles on an exception basis. The summary below provides specific information on compliance with the Principles and as required any recommendations that have not been adopted by the consolidated entity, together with the reasons why they have not been adopted.

ASX Principles	Description	Compliance
Principle 1	Lay solid foundations for management and oversight	Compliant
Principle 2	Structure the board to add value	Compliant
Principle 3	Promote ethical and responsible decision-making	Compliant
Principle 4	Safeguard integrity in financial reporting	Compliant
Principle 5	Make timely and balanced disclosure	Compliant
Principle 6	Respect the rights of shareholders	Compliant
Principle 7	Recognise and manage risk	Compliant
Principle 8	Remunerate fairly and responsibly	Compliant

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Tempo Australia Limited for the year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 27 March 2014

Tempo Australia Limited and Controlled Entities
Statement of Comprehensive Income
For the year ended 31 December 2013

	Note	Consolidated Entity 2013 $	Consolidated Entity 2012 $
Revenue	3	14,006,914	5,898,237
Other Income	3	17,088	100,202
Total Revenue		14,024,002	5,998,439
Employee and director benefits expense		11,841,624	5,886,541
Administration costs		433,277	434,454
Legal fees		-	191,925
Occupancy costs		358,187	33,526
Depreciation and amortisation	8,11	104,528	52,109
Insurance		219,147	164,749
Other expenses	4	1,396,950	244,314
Listing and other statutory charges		8,755	132,585
Other professional expenses		281,848	430,170
Total Expenses		14,644,316	7,570,373
Loss before income tax benefit		(620,314)	(1,571,934)
Income tax benefit	5	169,921	334,615
Loss attributable to the members of the parent		(450,393)	(1,237,319)
Other comprehensive income		-	-
Total other comprehensive income		-	-
Net Loss attributable to members of the parent entity		(450,393)	(1,237,319)
Earnings per share			
Basic earnings (loss) – cents per share	16	(0.294)	(0.858)
Diluted earnings (loss) – cents per share	16	(0.294)	(0.858)

Tempo Australia Limited and Controlled Entities
Statement of Financial Position
For the year ended 31 December 2013

	Note	Consolidated Entity 2013 $	2012 $
CURRENT ASSETS			
Cash and cash equivalents		2,178,543	2,275,905
Trade and other receivables	6	1,570,805	1,167,412
Other assets	7	183,379	225,127
Total Current Assets		3,932,727	3,668,444
NON-CURRENT ASSETS			
Plant and equipment	8	79,935	101,172
Goodwill	9	3,118,087	3,118,087
Intangibles	11	113,400	189,000
Deferred tax assets	19	573,508	423,325
Total Non-Current Assets		3,884,930	3,831,584
Total Assets		7,817,657	7,500,028
CURRENT LIABILITIES			
Trade and other payables	12	1,382,206	1,195,134
Provisions	13	190,268	87,844
Total Current Liabilities		1,572,474	1,282,978
NON-CURRENT LIABILITIES			
Deferred tax liabilities	19	68,971	88,710
Total Non-Current Liabilities		68,971	88,710
Total Liabilities		1,641,445	1,371,688
Net Assets		6,176,212	6,128,340
EQUITY			
Contributed equity	14	68,004,958	67,506,693
Accumulated losses		(61,828,746)	(61,378,353)
Total Equity		6,176,212	6,128,340

Tempo Australia Limited and Controlled Entities
Statement of Changes in Equity
For the year ended 31 December 2013

	Note	Consolidated Entity 2013 $	2012 $
Retained losses at the beginning of the year		(61,378,353)	(60,141,034)
Loss for the year		(450,393)	(1,237,319)
Retained losses at the end of the year		**(61,828,746)**	**(61,378,353)**
Transactions with equity holders in their capacity as equity holders:			
Contributed equity at the beginning of the year		67,506,693	62,626,693
Issue of shares and options		500,000	5,000,000
Shared-based payments		1,465	-
Option expired		-	-
Capital raising costs		(3,200)	(120,000)
Contributed equity at the end of the year		**68,004,958**	**67,506,693**
Total Equity at the end of the year attributable to members of the parent		6,176,212	6,128,340

Tempo Australia Limited and Controlled Entities
Statement of Cash Flows
For the year ended 31 December 2013

	Note	Consolidated Entity 2013 $	Consolidated Entity 2012 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		15,120,727	5,388,187
Payments to suppliers, employees and transfers to administrator		(15,661,970)	(7,120,470)
Interest received		17,088	40,738
Net cash used in operating activities	15	**(524,155)**	**(1,691,545)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of business		-	(2,886,609)
Payments for property plant and equipment		(70,007)	(8,377)
Net used in investing activities		**(70,007)**	**(2,894,986)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity instruments		500,000	4,600,000
Capital raising costs		(3,200)	(120,000)
Net cash provided by financing activities		**496,800**	**4,480,000**
Net (decrease) in cash and cash equivalents		**(97,362)**	**(106,531)**
Cash and cash equivalents at beginning of year		2,275,905	2,382,436
Cash and cash equivalents at end of the year		**2,178,543**	**2,275,905**

Tempo Australia Limited and Controlled Entities
Notes to the Financial Statements
For the year ended 31 December 2013

NOTE 1: BASIS OF PREPARATION

Tempo Australia Limited is domiciled in Australia as the parent entity of the consolidated entity.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in the notes to the financial statements

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements were authorized for issue on 27 March 2014 by the directors of the company.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following is a summary of material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The consolidated entity has adopted all of the new, revised and amending Accounting Standards and Interpretations issued by the AASB for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have a material impact on the financial performance or position of the consolidated entity.

Summary of the significant accounting policies:

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results, of the entities controlled by Tempo Australia Ltd during this year. A controlled entity is any entity which Tempo Australia Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated entity have been eliminated in full on consolidation.

(b) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is re-measured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, the outcome of the contract can be estimated reliably. The stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

(e) Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a re-valued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as an expense in the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis over the asset's useful life to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used are listed as below:

Asset Class	Depreciation Rate
Furniture and Fixtures	25%
IT	25%
Plant & Equipment	25%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(g) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in the profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expenses.

(h) Intangibles

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

(i) Impairment of assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard. Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with infinite lives.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position, if any. For the consolidated statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction, if any.

(k) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss. Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(l) Investments

Investments are initially recorded at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, investments, which are classified as available-for-sale, are measured at fair value.

(m) Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is calculated as the excess of the sum of:

(vi) the consideration transferred;
(vii) any non-controlling interest; and
(viii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to a cash-generating unit or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of. Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(n) Impairment

At the end of each reporting period, the consolidated entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(o) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 5 for further discussion on the determination of impairment losses.

(p) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(a) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the consolidated entity. The consolidated entity has decided not to early adopt any of the new and amended pronouncements. The consolidated entity's assessment of the new and amended pronouncements that are relevant to the consolidated entity but applicable in future reporting periods is set out below:

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the Group.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are based on past performance and management's expectation for the future.

Critical accounting estimates and assumptions

The consolidated entity makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(a) Impairment of Goodwill

The directors assess impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(b) Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined using the Black-Scholes valuation model. The accounting estimates and assumptions relating to the equity-settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expense and equity.

(c) Income Tax

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future tax benefits will be available to utilise those temporary differences.

Note 3

	Consolidated Entity	
REVENUE	2013 $	2012 $
Revenues from operations	14,006,914	5,898,237
Interest Income	17,088	40,738
Income from administration	-	59,464
Total Revenue	14,024,002	5,998,439

Note 4

	Consolidated Entity	
OTHER EXPENSES	2013 $	2012 $
Project Recoverable Cost		
Project Material Cost	(476,350)	-
Candidate Screening Cost	(357,453)	(127,482)
Other Project Cost	(439,747)	(101,598)
Non-Recoverable Screening Cost	(41,083)	(15,234)
Loss on Disposal of Assets	(82,317)	-
Total other expenses	(1,396,950)	(244,314)

Loss before income tax includes the following specific expenses:		
Rental expense relating to operating lease	(313,254)	(27,923)
Superannuation expense	(536,833)	(261,838)
Share-based payments expense	(1,465)	-

Note 5

INCOME TAX	Consolidated Entity 2013 $	2012 $
Profit / (loss) before income tax	(620,314)	(1,571,934)
At the statutory income tax rate of 30% (2012: 30%)	(186,094)	(471,580)
Tax effect of amounts which are not deductible in calculating taxable income	16,173	136,965
Income tax expense (benefit)	**(169,921)**	**(334,615)**

Note 6

RECEIVABLES	Consolidated Entity 2013 $	2012 $
CURRENT		
Trade receivables	1,479,477	1,076,519
Other receivables	91,328	90,893
Total Current Receivables	**1,570,805**	**1,167,412**

The following table details the trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled; with the terms and conditions agreed between the consolidated entity and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully paid to the consolidated entity.
The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired			
			< 30	31 - 60	61 - 90	>90
2013						
Trade and term receivables	1,479,477	-	46,049	128,004	-	-
Other receivables	91,328	-	-	-	-	-
Total	1,570,805	-	46,049	128,004	-	-
2012						
Trade and term receivables	1,076,519	23,756	71,819	-	-	-
Other receivables	90,893	-	-	-	-	-
Total	1,167,412	23,756	71,819	-	-	-

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Note 7

OTHER CURRENT ASSETS	Consolidated Entity 2013 $	2012 $
Prepayments		
Insurances	168,345	185,534
Utilities	-	33,530
Other	15,034	6,063
Total Other Current Assets	**183,379**	**225,127**

Note 8

PLANT AND EQUIPMENT	Consolidated Entity 2013 $	2012 $
Furniture and Fixtures - At Cost	21,625	6,335
Furniture and Fixtures - Accumulated Depreciation	(5,178)	(888)
Net Book Value Furniture and Fixture	**16,447**	**5,447**
Plant and Equipment - At Cost	46,343	93,688
Plant and Equipment - Accumulated Depreciation	(24,086)	(16,880)
Net Book Value Plant and Equipment	**22,257**	**76,788**
IT – At Cost	51,643	9,051
IT – Accumulated Depreciation	(10,412)	(682)
Net Book Value IT	**41,231**	**8,369**
Motor Vehicle – At Cost	-	12,372
Motor Vehicle - Accumulated Depreciation	-	(1,804)
Net Book Value Motor Vehicle	**-**	**10,568**
Total Cost	119,611	121,426
Total Accumulated Depreciation	(39,676)	(20,254)
Total Net Book Value	**79,935**	**101,172**
Reconciliations Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current financial year		
Carrying amount at beginning of year	101,172	53,505
Additions	70,007	61,976
Depreciation Expense	(28,928)	(14,309)
Disposals	(62,316)	-
Carrying amount at end of year	79,935	101,172

Note 9

GOODWILL	Consolidated Entity 2013 $	2012 $
Goodwill – At Cost	3,118,087	3,118,087
Accumulated impairment losses	-	-
Net Carrying Amount	**3,118,087**	**3,118,087**
Reconciliations Reconciliations of the carrying amounts of Goodwill at the beginning and end of the current financial year		
Carrying amount at beginning of year	3,118,087	-
Acquisitions through business combinations	-	3,118,087
Amortisation expense	-	-
Impairment	-	-
Carrying amount at end of year	3,118,087	3,118,087

Impairment disclosures

Goodwill is allocated to Tempo Personnel Management (previously known as Tempo Industry Partners). Goodwill has an infinite useful life.

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-years period with the period extending beyond 1 year extrapolated using an estimated growth rate. The cash flows are discounted using a discount rate which reflects management's estimate of the time value of money and the group's weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements.

The following assumptions were used in the value-in-use calculations:

Growth Rate (revenue and expense)	10.00%
Discount Rate	16.00%

The Directors believe that any reasonable change in the key assumptions on which the recoverable amount of the CGU is based would not cause the CGU's carrying amount to exceed its recoverable amount.

Note 10

SEGMENT REPORTING
The Group has identified its operating segment based on internal management reporting that is reviewed by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group operated in one segment being the mining services segment.

Note 11

INTANGIBLE ASSETS	Consolidated Entity 2013 $	2012 $
Customer Contracts – At cost	226,800	226,800
Customer Contracts – Accumulated Amortisation	(113,400)	(37,800)
Net Book Value Customer Contracts	113,400	189,000
Reconciliations		
Reconciliations of the carrying amounts of Intangibles at the beginning and end of the current financial year		
Carrying amount at beginning of year	189,000	-
Additions (Through Acquisition - Customer Contract)	-	226,800
Amortisation Expense	(75,600)	(37,800)
Impairment	-	-
Carrying amount at end of year	113,400	189,000

Intangible assets have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income.
The intangible Asset - Customer Contracts is expected to have a finite useful life of 3 years. It has been amortised on straight line basis over 3 years.

Note 12

PAYABLES	Consolidated Entity 2013 $	2012 $
Trade Payables	242,017	221,034
Other Payables	1,140,189	974,099
Total Payables	1,382,206	1,195,133

Note 13

PROVISIONS	Consolidated Entity 2013 $	2012 $
Annual Leave		
Carrying amount at the beginning of the period	76,459	-
Additional provision made	165,784	152,019
Amounts used	(144,095)	(63,465)
Unused amounts reversed	-	(12,095)
Carrying amount at the end of the period	98,148	76,459
Sick Leave		
Carrying amount at the beginning of the period	-	-
Additional provision made	126,790	-
Amounts used	(25,456)	-
Unused amounts reversed	(17,030)	-
Carrying amount at the end of the period	84,304	-
Long Service Leave		
Carrying amount at the beginning of the period	11,385	-
Additional provision made	-	23,918
Amounts used	-	-
Unused amounts reversed	(3,569)	(12,533)
Carrying amount at the end of the period	7,816	11,385
Total Provisions	**190,268**	**87,844**

Both of the above provisions are employees' leave entitlement which can be taken at any time as long as both employee and immediate supervisor/manager approve the leave application.

Note 14

CONTRIBUTED EQUITY	Note	Consolidated Entity 2013 $	Consolidated Entity 2012 $
(a) Issued and paid up capital			
Ordinary shares fully paid	14(b)	68,003,493	67,506,693
Share options issued	14(c)	1,465	-
		68,004,958	67,506,693

Ordinary Shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Capital Risk Management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the consolidated entity may adjust the dividends paid to shareholders or issue new shares. The consolidated entity's capital risk management policy remains unchanged from the Annual Report for the year ended 31 December 2012.

(b) Movements in shares on issue	Parent Entity # of shares	Parent Entity ($)
Beginning of the financial year	149,491,854	67,506,693
Issued during the year	5,847,954	500,000
Option Exercised	-	-
Deduct: Share issue costs	-	(3,200)
End of financial year	155,339,808	68,003,493

(C) Share Options – Movements	2013 Number	2013 ($)	2012 Number	2012 ($)
Outstanding at beginning of year	-	-	160,000,000	80,000
Issued during the year (free attaching to the 5,847,954 shares issued)	11,695,908	-		
Share-based payment	525,000	1,465	-	-
Exercised during the year	-	-	(160,000,000)	(80,000)
Lapsed or expired during the year	-	-	-	-
Outstanding at year end	12,220,908	1,465	-	-

(d) Share Options

The company offered employee participation in the Employee share option plan as a long-term incentive and as part of the remuneration arrangements. The amount expensed in the statement of comprehensive income is determined by reference to the fair value of the options at the grant date.

Note 15

CASH FLOW INFORMATION	Consolidated Entity 2013 $	Consolidated Entity 2012 $
Reconciliation of the net profit (loss) after tax to the net cash flows from operations		
Net profit/(loss)	(450,393)	(1,237,319)
Non-Cash Items		
Depreciation and amortisation	104,528	52,109
Assets written off	62,316	-
Share-based payments	1,465	-
Changes in Assets and Liabilities		
Receivables	(403,393)	(1,115,484)
Other assets	41,748	(198,068)
Payables	187,072	1,053,988
Provisions	102,424	87,844
Deferred tax assets	(81,212)	(423,325)
Deferred tax liabilities	(88,710)	88,710
Net Operating Cash Flow	(524,155)	(1,691,545)

Note 16

EARNINGS PER SHARE	Consolidated Entity 2013 $	Consolidated Entity 2012 $
The following reflects the income and share data used in the calculations of basic and diluted earnings per share		
Net profit/(loss)	(450,393)	(1,237,319)
Earnings used in calculating basic and diluted earnings per share	(450,393)	(1,237,319)
Weighted average number of ordinary shares used in calculating basic earnings per share	153,256,975	144,194,607
Effect of dilutive securities		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	153,256,975	144,194,607

Note 17

LEASE EXPENDITURE COMMITMENTS	Consolidated Entity 2013 $	2012 $
Operating leases (non-cancellable)		
(a) Operating leases related to office	386,936	227,176
(b) Minimum lease payments		
- Not later than one year	287,636	111,285
- Later than one year and not later than five years	99,300	115,891
- Later than five years	-	-
Aggregate lease expenditure contracted for at reporting date	386,936	227,176

Note 18

RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES		Consolidated Entity 2013	2012

(a) The consolidated financial statements include the financial statements of Tempo Australia Limited and its controlled entities listed below

	Country of Incorporation		
Parent Entity			
Tempo Australia Limited	Australia		
Subsidiaries of Tempo Australia Limited			
Tempo Resources Solutions Pty Ltd (former FHL Mining Services Pty Ltd)	Australia	100%	100%
Tempo Engineering Pty Ltd	Australia	100%	100%
Tempo Engineering Services Pty Ltd	Australia	100%	100%
Tempo Construction & Maintenance Pty Ltd	Australia	100%	100%
Tempo Industry Partners Pty Ltd	Australia	100%	100%
Tempo Global Pty Ltd	Australia	100%	100%

	2013 $	2012 $
(b) Compensation by category for Directors and nominated executives		
Short-term employment benefits	917,439	534,333
Post-employment benefits	69,244	14,040
Share based benefit	1,465	-
Total benefits	**988,148**	**548,373**

Shareholding

The number of shares in the parent entity held during the financial year by each director and other member management personnel of the consolidated entity, including their personally related parties, is set out below:

2013	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Nick Bowen	-	-	5,847,945	-	5,847,945
Robert Whitton	750,000	-	-	-	750,000
Peter Dykes	4,477,633	-	97,367	-	4,575,000
Richard Wright	17,055,073	-	390,000	-	17,445,773
Carmelo Bontempo	17,969,000	-	-	-	17,969,000
Giuseppe Leone	3,048,143	-	-	-	3,048,143
Daniel Hibbs	-	-	921,000	-	921,000
Total	43,299,849	-	7,256,312	-	50,556,161

2012*	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other	Balance at the end of the year
Ordinary shares					
Nick Bowen	-	-	-	-	-
Robert Whitton	-	-	750,000	-	750,000
Peter Dykes	8,840,000	-	3,972,633	(8,335,000)	4,477,633
Richard Wright	12,857,143	-	4,197,930	-	17,055,073
Carmelo Bontempo	12,857,143	-	5,111,857	-	17,969,000
Giuseppe Leone	3,048,143	-	-	-	3,048,143
Total	37,602,429	-	14,032,420	(8,335,000)	43,299,849

** The number of shares reported is stated as a post-consolidation amount. The consolidation ration that applied to the company's issued shares at 31 May 2012 will be on the basis that every 10 shares will be consolidated into 1 share.*

Option holding

The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties is set out below:

2013	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Nick Bowen	-	11,695,908	-	-	11,695,908
Robert Whitton	-	-	-	-	-
Peter Dykes	-	-	-	-	-
Richard Wright	-	-	-	-	-
Carmelo Bontempo	-	-	-	-	-
Giuseppe Leone	-	250,000	-	-	250,000
Daniel Hibbs	-	275,000	-	-	275,000
Total	-	12,220,908	-	-	12,220,908

There were no options held, granted, exercised, expired or forfeited during 2012.

Transactions with related parties
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year the Company raised $500,000 from Nick Bowen in exchange for 5,847,954 ordinary shares. On the issue he was also awarded 11,695,908 free attaching options.

There are no receivables from, payables to related parties and loans to/from related parties as of the year end (2012: nil). There were no other payments than payments for director's fees with related parties during 2013 (2012: nil).

Note 19

DEFERRED TAX ASSETS AND LIABILITIES	Consolidated Entity 2013 $	2012 $
Deferred tax asset comprises temporary differences attributable to:		
Carry forward tax losses	470,683	341,803
Accrued expenses	50,071	45,797
Employee benefits	30,728	28,814
Doubtful debts	22,026	6,474
Plant and equipment	-	247
Others	-	190
Balance as at year end	**573,508**	**423,325**
Movements:		
Opening balance	423,325	341,803
Charged to profit or loss	150,183	81,522
Balance as at year end	**573,508**	**423,325**
Deferred tax liability comprises temporary differences attributable to:		
Work-in-progress	-	27,268
Other creditors	2,022	2,022
Prepayment and receivables	51,795	59,420
Employee benefits	21,943	-
Plant and equipment	929	-
Others	(7,718)	-
Balance as at year end	**68,971**	**88,710**
Movements:		
Opening balance	88,710	-
Charged to profit or loss	(19,739)	88,710
Balance as at year end	**68,971**	**88,710**

Note 20: FINANCIAL INSTRUMENTS

The consolidated entity's activities expose it to credit risk and liquidity risk. Interest rate risks are not considered as significant. The consolidated entity uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the Managing Director and the Chief Financial Officer under policies approved by the Audit and Compliance Committee and the Board. The Board provides directions for overall risk management, as well as policies covering specific areas.

(a) Credit risk exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date for recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the financial statements. The consolidated entity has no derivative financial instruments or forward exchange contracts. 82% ($1,207,911) of receivables are due from two largest debtors. Subsequently to the year end $1,207,911has been paid and exposure to these debtors decreased to $nil. As a result there is no material credit risk exposure to any single debtor or group of debtors under financial instruments.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, to meet the on-going expenditure requirements whilst the group is in start-up phase. Management and the board monitor rolling forecasts of the consolidated entity's liquidity on the basis of expected cash flow.

(c) Fair value estimation

The fair value of financial assets and financial liabilities is estimated for recognition and measurement and for disclosure purposes. The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(d) Interest rate risk

The group exposure to interest rate risks is nil as there is neither loans nor any liabilities which attract interest payable.

Note 21: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Parent Entity Information	2013 $	2012 $
Profit after income tax	(1,153,283)	(1,565,428)
Total comprehensive income	**(1,153,283)**	**(1,565,428)**
Total current assets	1,349,349	2,040,171
Total assets	5,799,150	6,104,508
Total current liabilities	568,829	215,567
Total liabilities	653,937	304,277
Equity		
Contributed equity	68,004,958	67,506,693
Accumulated losses	(62,859,745)	(61,706,462)
Total Equity	**5,145,213**	**5,800,231**

Contingencies

The parent entity had no contingent liabilities as at 31 December 2013 (2012: Nil).

Capital Commitments

The parent entity had no capital commitments as at 31 December 2013 (2012: Nil).

Note 22: SHARE BASED PAYMENTS

An employee share option plan (ESOP) has been established by the company, and approved by shareholders at the general meeting held on the 2nd of May 2013, whereby the company may, grant options over ordinary shares in the parent entity to certain key management personnel of the company. The options are issued for nil consideration and are granted in accordance with performance guidelines established by Tempo Employee Share Option Plan.

Set out below are summaries of options granted under the plan:

2013

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired / forfeited/ other	Balance at the end of the year	Vested at the end of year	Vesting Date
14 May 2013	8 April 2015	$0.15	-	525,000	-	-	525,000	-	28/02/2015
Total Granted		-	-	525,000	-	-	525,000	-	
Weight average exercise Price		-	-	-	-	-	-	-	-

There were no ESOP options granted, exercised, expired, or forfeited during 2012.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
14 May 2013	8 April 2015	$0.06	$0.15	50%	0%	2.85%	$0.0067

Note 23: AUDITORS REMUNERATION

AUDITORS REMUNERATION	Consolidated Entity 2013 $	2012 $
Audit or review of the financial report		
Pitcher Partners	-	45,100
RSM Bird Cameron Partners	55,000	-
Tax Compliance		
RSM Bird Cameron Partners	9,690	-
Total	64,690	45,100

NOTE 24: SUBSEQUENT EVENTS

Carmelo Bontempo was appointed as Chairman from the 7th of February 2014. Richard Wright vacated the role of Chairman and continues as a Non-executive Director of Tempo.

Phillip Loots was appointed as Independent Non-executive Director on the 20th of February 2014.

Apart from the above, there are no other matters or circumstances which have arisen since 31 December 2013 that has significantly affected, or may affect the consolidated entity's operations, the results of those operations, of the consolidated state of affairs in future financial years.

NOTE 25: CONTINGENCIES

The consolidated entity has no contingent assets or liabilities as at 31 December 2013 (2012: nil).

Directors' Declaration
For the year ended 31 December 2013

The directors declare that the financial statements and notes are in accordance with the Corporations Act 2001 and:

a. Comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
b. Give a true and fair view of the financial position of the consolidated entity as at 31 December 2013 and of its performance as represented by the results of their operations and its cash flows, for the year ended on that date; and
c. Comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the opinion of the directors, there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

Director

Carmelo Bontempo
Perth
Date 27 March 2014

RSM Bird Cameron Partners

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEMPO AUSTRALIA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Tempo Australia Limited, which comprises the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RSM Bird Cameron Partners

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tempo Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Tempo Australia Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report contained within the directors' report for the year ended 31 December 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Tempo Australia Limited for the year ended 31 December 2013 complies with section 300A of the *Corporations Act 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 27 March 2014