
TEMPO AUSTRALIA LTD

ACN 000 689 725

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am (WST)

DATE: 31 May 2016

PLACE: RSM Australia
Board Rooms on Level 7
8 St George's Terrace
Perth WA 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6180 2040.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am (WST) on 31 May 2016 at:

RSM Australia
Board Rooms on Level 7
8 St George's Terrace
Perth WA 6000

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on 29 May 2016.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2015 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2015.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – CARMELO BONTEMPO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 47.1 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Carmelo Bontempo, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RENEWAL OF ADOPTION OF EMPLOYEE INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Share Incentive Right Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY - MAX BERGOMI

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 4,000,000 Related Party Performance Rights issued pursuant to the Plan as Director incentive remuneration to Max Bergomi (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5 – APPROVAL FOR ISSUE OF RELATED PARTY INCENTIVE RIGHTS – MAX BERGOMI

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to that number of Long Term Performance Rights issued pursuant to the Plan that in any financial equals 60% of his annual remuneration as Director incentive remuneration to Max Bergomi (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – CARMELO BONTEMPO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Related Party Options to Carmelo Bontempo (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Carmelo Bontempo (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it

is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – ADOPTION OF NEW CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

Dated: 26 April 2016

On behalf of the Board



Michael West
CFO and Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2015 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.tempoaust.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – CARMELO BONTEMPO

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 47.1(a) of the Constitution provides that:

- (a) any director appointed by the Directors or the Company in general meeting since the last annual general meeting;
- (b) one third (or if that is not a whole number, the next lowest whole number) of the other directors (not counting the managing director) provided that there must be at least one retiring director; and
- (c) any director for whom this would be the third annual general meeting since their last appointment or three years since their last appointment (whichever is longer).

Clause 47.2 of the Constitution provides that the Directors to retire at an annual general meeting are those directors who have been longest in office since their appointment on registration or their last election (whichever is later). If they became directors on the same day, they may agree who retires. If they do not agree, they may select by lot who retires.

In determining the number of Directors to retire, no account is to be taken of a Managing Director,

The Company currently has 4 Directors and accordingly 1 must retire.

Carmelo Bontempo, the Director longest in office since his last election, retires by rotation and seeks re-election.

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.

The Directors (other than Carmelo Bontempo) unanimously recommend that Shareholders approve Resolution 2.

4. RESOLUTION 3 – RENEWAL OF ADOPTION OF EMPLOYEE INCENTIVE PLAN

Resolution 3 seeks Shareholders approval for the renewal of the adoption of the employee share incentive scheme titled "Employee Share Incentive Right Plan" (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

The Company has an existing employee incentive plan approved by Shareholders at the Company's 2013 annual general meeting held on 2 May 2013. The approval for that plan will expire on 2 May 2016, and from that date the Company will be without an exempt employee incentive plan that it can rely upon under as an exception to Listing Rule 7.1. This previous plan has been amended to include for the provision of performance rights and the Company is seeking that this amendment and its adoption be renewed.

If this Resolution is passed, the Company will be able to issue Performance Rights or Options (**Incentive Rights**) under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that 10,131,000 Options have previously been issued under the Plan as approved by shareholders at the 2013 annual general meeting.

The objective of the Plan is provide incentives to the Directors and employees of the Group to remain with the Group and to improve longer-term performance of the Group, and to recognise their contribution to the Group's success.

Any future issues of Incentive Rights under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is

also seeking approval under Resolution 4 and 5 for the issue of Incentive Rights to Max Bergomi pursuant to the Plan.

The key terms and conditions of the Plan is set out in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary (Michael West). Shareholders are invited to contact the Company if they have any queries or concerns.

5. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY - MAX BERGOMI

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 4,000,000 Performance Rights (**Related Party Performance Rights**) to Max Bergomi on the terms and conditions set out below. The issue of the Related Party Performance Rights was negotiated between the Company and Mr Bergomi at the time of his employment offer with the Company and as outlined in the announcement to the ASX dated 20 October 2015 outlining the key terms of Mr Bergomi's employment contract. The Plan is designed to provide incentives to the Directors and employees of the Group to remain with the Group and to improve longer-term performance of the Group, and to recognise their contribution to the Group's success.

The Related Party Performance Rights will be issued in two tranches as follows:

- (a) Tranche 1 – 2,500,000 Related Party Performance Rights vesting at no cost on 1 July 2018 (**Tranche 1 Performance Rights**); and
- (b) Tranche 2 – 1,500,000 Related Party Performance Rights vesting at no cost on 1 July 2019 (**Tranche 2 Performance Rights**).

Each Related Party Performance Right will be issued on the terms and conditions contained in the Plan (a summary is provided in Schedule 1) and will, at the election of the holder, convert into one Share upon satisfaction of the following performance hurdles (**Performance Hurdles**):

- (a) **Hurdle 1** – A percentage of each Tranche (up to a maximum of 50% of the Tranche) will convert should the total return to Shareholders (**Return to Shareholders**) compared to the change in the ASX300 (base point is the ASX300 30 day average indices and Tempo Share price prior to the date of his commencement of employment) (**ASX300 Change**) be:
 - (i) the same as the ASX300 Change = 50% vest;
 - (ii) 15% above the ASX300 Change = 75% vest; and
 - (iii) 30% above the ASX300 Change = 100% vest.
- (b) **Hurdle 2** – A percentage of each Tranche (up to a maximum of 50% of the Tranche) will convert should the increase in the annual earnings per share (**EPS**) (for the last full financial year prior to the vesting date) from the Company's actual 2015 EPS (adjusted for impacts relating to recognition of previously unrecognised prior year tax losses) be:
 - (i) between 0% to 10% = 25% vest

- (ii) between 10% to 30% = sliding scale from 25% to 100% vest depending on the amount of the EPS

5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Performance Rights constitutes giving a financial benefit and Mr Bergomi is a related party of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The Directors (other than Mr Bergomi who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Performance Rights because the grant of the Related Party Performance Rights is part of the remuneration package of Mr Bergomi and is considered to be reasonable remuneration in the circumstances and was negotiated prior to his employment (as outlined in the announcement to the ASX dated 20 October 2015 outlining the key terms of Mr Bergomi's employment) on an arm's length basis.

5.3 Technical information required by ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Related Party Performance Rights to Mr Bergomi:

- (a) the related party is Mr Bergomi and he is a related party by virtue of being a Director;
- (b) the maximum number of Related Party Performance Rights to be issued to Mr Bergomi (or his nominees) is 4,000,000 Related Party Performance Rights;
- (c) the issue price of the Related Party Performance Rights will be nil as they are designed to provide an incentive to remain with the Group and to improve longer-term performance of the Group, and to recognise their contribution to the Group's success;
- (d) no funds will be raised from the issue of the Related Party Performance Rights as they will be issued as an incentive payment to Mr Bergomi;

- (e) no loan will be provided in relation to the issue of the Related Party Performance Rights to Mr Bergomi;
- (f) no Related Party Performance Rights have been issued since the Plan was approved in its current form, however 1,500,000 Options at an exercise price of \$0.15 were issued to Mr Bergomi prior to him joining the Board as Managing Director and remain outstanding;
- (g) all Eligible Employees are entitled to participate in the Plan;
- (h) the Related Party Performance Rights will be issued to Mr Bergomi within 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date; and
- (i) each Related Party Performance Right issued to Mr Bergomi will convert into one fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares once the Performance Hurdles have been met.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Performance Rights as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the grant of Related Party Performance Rights to Mr Bergomi (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTION 5 – APPROVAL FOR THE ISSUE OF INCENTIVE RIGHTS TO RELATED PARTY - MAX BERGOMI

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, that in any financial year it issue up to that number of Incentive Rights (**Long Term Performance Rights**) to Max Bergomi that equates to 60% of his annual remuneration on the terms and conditions set out below capped at a maximum of 2,000,000 Long Term Performance Rights in any year. The Plan is designed to provide incentives to the Directors and employees of the Group to remain with the Group and to improve longer-term performance of the Group, and to recognise their contribution to the Group's success.

Each Related Party Incentive Right will be issued on the terms and conditions contained in the Plan (a summary is provided in Schedule 1) and will, at the election of the holder, convert into one Share upon satisfaction of certain performance hurdles that will be set by the Board at the time of issue. The Long Term Performance Rights will be issued in three equal tranches with each tranche to be issued in 12 month intervals over the next three years and each tranche will vest on the date that is three years from the date of each issue.

At a minimum the Long Term Performance Rights will require that Mr Bergomi remains an employee with the Company for a period of three years from the date of this Meeting and will include performance hurdles such as relative performance of the Company's Total Shareholder Returns versus a peer group (likely the ASX300) and EPS growth over the vesting period.

6.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in section 5.2 above.

The issue of the Long Term Performance Rights constitutes giving a financial benefit and Mr Bergomi is a related party of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The Directors (other than Mr Bergomi who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Long Term Performance Rights because the grant of the Long Term Performance Rights is part of the remuneration package of Mr Bergomi and is considered to be reasonable remuneration in the circumstances and was negotiated prior to his employment (as outlined in the announcement to the ASX dated 20 October 2015 outlining the key terms of Mr Bergomi's employment) on an arm's length basis.

6.3 Technical information required by ASX Listing Rule 10.15A

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Long Term Performance Rights to Mr Bergomi:

- (a) the related party is Mr Bergomi and he is a related party by virtue of being a Director;
- (b) the maximum number of Long Term Performance Rights to be issued to Mr Bergomi (or his nominees) will depend upon the share price at the date of granting of the Long Term Incentive Rights. A worked example of the number of Long Term Performance Rights to be issued at various share prices in section 6.4 of the Explanatory Statement;
- (c) the issue price of the Long Term Performance Rights will be nil as they are designed to provide an incentive to remain with the Group and to improve longer-term performance of the Group, and to recognise their contribution to the Group's success;
- (d) no funds will be raised from the issue of the Long Term Performance Rights as they will be issued as an incentive payment to Mr Bergomi;
- (e) no loan will be provided in relation to the issue of the Long Term Performance Rights to Mr Bergomi;
- (f) no Related Party Performance Rights have been issued since the Plan was approved in its current form, however 1,500,000 Options at an exercise price of \$0.15 were issued to Mr Bergomi prior to him joining the Board as Managing Director and remain outstanding;
- (g) all Eligible Employees are entitled to participate in the Plan;

- (h) all Long Term Performance Rights will be issued to Mr Bergomi within 3 years from the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Long Term Performance Rights will be issued in three equal tranches with each tranche being issued in 12 month intervals over the next three years;
- (i) each Related Party Performance Right issued to Mr Bergomi will convert into one fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares once certain performance hurdles have been met;
- (j) details of any Long Term Performance Rights issued under the Plan to Mr Bergomi will be published in each annual report for the Company and will likely contain performance hurdles such as relative performance of the Company's Total Shareholder Returns versus a peer group (likely the ASX300) and EPS growth over the vesting period and his continued employment over that vesting period; and
- (k) any additional Director who become entitled to participate in the Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14 for that person.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Performance Rights as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the grant of Related Party Performance Rights to Mr Bergomi (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

6.4 Share Issue Calculations

Accordingly set out below is a worked example of the number of Long Term Performance Rights that may be issued under this Resolution to Mr Bergomi at assumed share prices of \$0.145, \$0.29, \$0.435 and \$0.58 and based on his salary (assuming no increase in his current salary);

Share Price	Maximum number of Long Term Performance Rights to be issued
\$0.145 (50% decrease)	1,511,573 Long Term Performance Rights
\$0.29 (current share price)	755,786 Long Term Performance Rights
\$0.435 (50% increase)	503,857 Long Term Performance Rights
\$0.58 (100% increase)	377,893.25 Long Term Performance Rights

In determining the maximum number of Long Term Performance Rights to be issued to Mr Bergomi the following formula is used:

$$\frac{(A \times D)}{P}$$

Where:

A is Mr Bergomi's salary at the date of issue, excluding superannuation

D is 60%

P is the 5 day VWAP of the Company's Shares prior to the date of issue

The Company notes that the above workings are an example only and the actual share price may differ. This will result in the maximum number of Long Term Performance Rights to be issued and the dilution percentage to also differ.

7. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – CARMELO BONTEMPO

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 2,000,000 Options (**Related Party Options**) to Carmelo Bontempo (or his nominee) on the terms and conditions set out below.

The Related Party Options will vest in three years from the date of this Meeting and will be exercisable at a price per ordinary share equal to a 35% premium to the 15 day VWAP prior to the date of the Meeting. The purpose of the issue of the Related Party Options is to increase Mr Bontempo's director fees by approximately \$100,000 per year to align his fees with those of comparable companies in the industry.

This Resolution seeks Shareholder approval for the grant of the Related Party Options to Mr Bontempo (or his nominee).

7.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in section 5.2 above.

The grant of Related Party Options constitutes giving a financial benefit and Mr Bontempo is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Bontempo who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the Related Party Options are part of the remuneration package for Mr Bontempo and is considered reasonable in the circumstances and was negotiated on an arm's length basis.

7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that

approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) the Related Party Options will be granted to Mr Bontempo (or his nominee);
- (b) the number of Related Party Options to be issued is 2,000,000;
- (c) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (d) the Related Party Options will be issued for nil cash consideration as they are being issued in lieu of directors fees, accordingly no funds will be raised; and
- (e) the terms and conditions of the Related Party Options are set out in Schedule 2.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to Mr Bontempo (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

8.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve this Resolution⁵, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 8.2 below).

The effect of this Resolution will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

8.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$56,677,617 as at 14 April 2016.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: TPP).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
 - (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

8.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.145 50% decrease in Issue Price	\$0.29 Issue Price	\$0.435 50% increase in Issue Price
201,848,366 (Current Variable A)	Shares issued - 10% voting dilution	20,184,837 Shares	20,184,837 Shares	20,184,837 Shares
	Funds raised	\$2,926,801	\$5,853,602	\$8,780,404
302,772,549 (50% increase in Variable A)	Shares issued - 10% voting dilution	30,277,255 Shares	30,277,255 Shares	30,277,255 Shares
	Funds raised	\$4,390,201	\$8,780,403	\$13,170,605
403,696,732 (100% increase in Variable A)	Shares issued - 10% voting dilution	40,369,673 Shares	40,369,673 Shares	40,369,673 Shares
	Funds raised	\$5,853,602	\$11,707,205	\$17,560,807

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 201,848,366 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 14 April 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for working capital, the acquisition of new assets or to repay debt; or
- (ii) as non-cash consideration for the acquisition of new assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules 7.1A.3).

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related party of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 May 2015 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 31 May 2015, the Company otherwise issued a total of 6,408,307 Shares and 1,500,000 Options which represents approximately 3.74% of the total diluted number of Equity Securities on issue in the Company on 31 May 2015, which was 211,546,059.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 3.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

8.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

9. RESOLUTION 8 – REPLACEMENT OF CONSTITUTION

9.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2007.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Company to that adopted in May 2012;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.tempoaust.com and at the office of the Company. A copy of the Proposed Constitution can also be emailed to Shareholders upon request to the Company Secretary (+61 8 6180 2040). Shareholders are invited to contact the Company if they have any queries or concerns.

9.2 Summary of material proposed changes

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Dividends (clause 21)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 35)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any firm proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 8.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 8.1 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX300 is a market-capitalisation weighted and float-adjusted stock market index of the largest 300 companies listed on the Australian Stock Exchange from Standard and Poor's.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Tempo Australia Ltd (ACN 000 689 725).

Constitution means the Company's constitution to be adopted pursuant to Resolution 8.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Employee has the meaning given in Schedule 1.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Group means the Company and each of its Subsidiaries from time to time.

Incentive Right Holder means the holder of an Incentive Right issued under the Plan.

Incentive Rights means an Option or a Performance Right.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Market Price means, in relation to a particular date, the weighted average market price per Share (weighted by reference to volume) during five consecutive trading days on the ASX ending on the day before the particular date;

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Offer means an offer in writing made by the Board to an Eligible Employee to take up Incentive Rights under the Plan.

Option means an option to subscribe for one Share in accordance with the Plan.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Plan means the employee share incentive right plan the subject of Resolution 3 and as summarised in Schedule 1.

Performance Hurdles has the meaning given in Section 5.1 of the Explanatory Statement.

Performance Right means a performance right granted pursuant to the terms and conditions of the Plan.

Proxy Form means the proxy form accompanying the Notice.

Related Party Incentive Right has the meaning given in Section 6.1 of the Explanatory Statement.

Related Party Option has the meaning given in Section 7.1 of the Explanatory Statement.

Related Party Performance Right means a Performance Right granted pursuant to Resolution 4 with the terms and conditions as set out in the Plan.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2015.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Tranche means either the Tranche 1 Performance Rights or the Tranche 2 Performance Rights.

Tranche 1 Performance Right has the meaning given in Section 5.1 of the Explanatory Statement.

Tranche 2 Performance Right has the meaning given in Section 5.1 of the Explanatory Statement.

Trust means the “Tempo Australia Ltd Employee Share Trust”, being an employee share trust established by the Company for the sole purpose of subscribing for or acquiring on-market, delivering, allocating and holding Shares in the Company for the benefit of an Incentive Right Holder and any other Eligible Employee to whom the Company has issued Incentive Rights from time to time.

Trust Deed means the trust deed entered into between the Company and the Trustee on 21 March 2016.

Trustee means Pacific Custodians Pty Ltd (ACN 009 682 866), which has been appointed by the Company, and which has agreed to act, as the initial trustee of the Trust on the terms and conditions set out in the Trust Deed, or any other trustee of the Trust appointed in accordance with the Trust Deed from time to time.

Variable A means “A” as set out in the calculation in section 8.2 of the Explanatory Statement.

Vesting Conditions means one or more conditions (if any) as determined by the Board to apply to an Incentive Right as set out under the Offer which are conditions of the Incentive Right becoming Vested and **Vested** means that all such conditions have been satisfied.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF THE TERMS AND CONDITIONS OF EMPLOYEE SHARE INCENTIVE RIGHTS PLAN

A summary of the terms and conditions of the Employee Share Incentive Right Plan is set out below:

1.1 Participants in the Employee Share Incentive Right Plan

The Board may make an Offer of Incentive Rights to a person who:

- (a) has an Offer to take up Incentive Rights under the Plan within that employee's contract of employment; or
- (b) is at the time of the Offer, and has been for a period of at least 12 months, a full or part-time employee or an executive or non-executive director of the Group,

(Eligible Employees);

1.2 Incentives

- (a) Subject to the ASX Listing Rules, the Company may issue such number of Incentive Rights as the Board determines until such time as the Plan is terminated.
- (b) The Incentive Rights are issued for \$ nil consideration.
- (c) The Incentive Rights lapse on the earlier of:
 - (i) the date specified by the Board in an Offer to an Eligible Employee (if any); or
 - (ii) 15 years from the date of the Offer to an Eligible Employee,

(Expiry Date);

- (d) An Incentive Right may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered.
- (e) The Incentive Rights will not be listed or quoted on any stock exchange.
- (f) An Incentive Right Holder has no rights or entitlements to participate in dividends declared by the Company or rights to vote at meetings of the Company in respect of an Incentive Right that they hold.

1.3 Exercise Price

- (a) The Board will specify the Exercise Price (as defined by this paragraph 1.3) of each Incentive Right at the time of making an Offer to an Eligible Employee.
- (b) Without limiting the ways in which the Exercise Price may be specified in paragraph (a) above, the Exercise Price may include:
 - (i) a fixed amount;
 - (ii) the Market Price of a Share on the date the Offer is made;

- (iii) the market price of a Share on the date the Incentive Rights are granted;
- (iv) the market price of a Share on a specified date which is after the date the Incentive Rights are granted;
- (v) a percentage above the amount in sub paragraphs (ii), (iii) or (iv); or
- (vi) a nil amount.

1.4 Vesting

- (a) The issue of an Incentive Right does not confer any right or interest, whether legal or equitable, in any Shares until any one of more conditions (if any) as determined by the Board to apply to the Incentive Rights (**Vesting Conditions**) have been satisfied or waived by the Board at its discretion, or the Incentive Rights have otherwise become exercisable in accordance with the Plan.
- (b) Notwithstanding that an Incentive Right has become vested, if the Incentive Right has lapsed prior to exercise then the Incentive Right does not confer any further right or interest, whether legal or equitable, in any Share.

1.5 Eligibility

- (a) The Company may only make an Offer to an Eligible Employee who has provided the Company with their TFN or ABN.
- (b) Eligibility to participate in the Plan under paragraph (a) above does not confer a right to participate in the Plan.
- (c) The Board's determination as to whether a person is or is not an Eligible Employee shall be final and binding.

1.6 Exercise of Incentive Rights

- (a) If an Offer to an Eligible Employee provides for the deemed automatic exercise of an Incentive Right, no further action is required from the Eligible Employee upon Vesting of an Incentive Right in order to exercise that Incentive Right.
- (b) If an Offer to an Eligible Employee provides for the manual exercise of an Incentive Right, subject to an Incentive Right becoming vested and not having lapsed, an Incentive Right Holder may exercise all or any of the Incentive Rights that he or she holds on any Business Day during the period that the Incentive Rights are exercisable, by lodging with the Company:
 - (i) a written notice of exercise of Incentive Rights specifying the number of Shares in respect of which Incentive Rights are being exercised;

- (ii) either:
 - (A) a cheque for the Exercise Price multiplied by the number of Shares in respect of which Incentive Rights are being exercised; or
 - (B) if permitted in the Offer to the Eligible Employee, confirm that the Incentive Right Holder will use the Cashless Exercise Facility (defined in paragraph 1.9(a) below); and
- (iii) the certificate for the Incentive Rights being exercised.
- (c) If the Offer to an Eligible Employee relating to Incentive Rights provides that the method of settlement will be determined by the Board following exercise; or
- (d) does not otherwise specify the method of settlement for those Incentive Rights, as soon as reasonably practicable following the valid exercise of those Incentive Rights, the Board must determine whether the relevant Incentive Right will be:
 - (i) Equity Settled (refer to paragraph 1.7 below);
 - (ii) Cash Settled (refer to paragraph 1.8 below); or
 - (iii) a combination of Equity Settled and Cash Settled.

1.7 Equity Settlement on exercise of Incentive Rights

- (a) Where the Board has determined that any Incentive Rights will be Equity Settled on exercise, as soon as practicable after the valid exercise or deemed exercise of those Incentive Rights by an Incentive Right Holder, the Company must, within such time as the Board determines, issue or procure the transfer to the Incentive Right Holder, or instruct the Trustee to subscribe for, acquire and/or allocate for the benefit of the Incentive Right Holder, the number of Shares in respect of which the Incentive Right has been exercised.
- (b) Where the Company instructs the Trustee to subscribe for, acquire and/or allocate Shares to an Incentive Right Holder:
 - (i) the Trustee will hold those Shares on behalf of that Incentive Right Holder in accordance with the terms of the Trust Deed;
 - (ii) the Company must, or the Company must instruct the Trustee to, notify the Incentive Right Holder that the Trustee holds Shares on the Incentive Right Holder's behalf; and
 - (iii) subject to the Trustee receiving from the Company sufficient funds to subscribe for or acquire the Shares, the Board may, in its absolute discretion, instruct the Trustee to either subscribe for new Shares or acquire Shares on-market to be held on an Incentive Right Holder's behalf, or instruct the Trustee to use a combination of both alternatives.

- (c) Shares issued, transferred or allocated on the exercise of Incentive Rights will rank equally in all respects with all existing Shares at the date of issue, transfer or allocation, including in relation to:
- (i) voting rights;
 - (ii) entitlements to participate in:
 - (A) distributions and dividends;
 - (B) future rights issues and bonus issues,where the record date for determining entitlements falls on or after the date of issue, transfer or allocation of the Shares.
- (d) If the Company is listed, the Company must apply for official quotation on the ASX of all Shares issued, transferred or allocated pursuant to the exercise of Incentive Rights not later than 10 Business Days after the date of allotment.

1.8 Cash Settlement on exercise of Incentive Rights

- (a) Where the Board has determined that any Incentive Rights will be Cash Settled on exercise, as soon as practicable after the valid exercise or deemed exercise of those Incentive Rights by an Incentive Right Holder, the Company must, within such time as the Board determines:
- (i) make a cash payment to the Incentive Right Holder equal to the sum of the market price of a Share at the date of exercise multiplied by the number of validly exercised Incentive Rights that will be Cash Settled; and
 - (ii) issue a substitute certificate to the Incentive Right Holder for any remaining unexercised Incentive Rights held by that Incentive Right Holder.
- (b) Any cash amount payable to an Incentive Right will be paid to that Incentive Right Holder less all taxes required to be withheld under applicable law and any superannuation required to be withheld under applicable law to satisfy the minimum amount required to be contributed by any member of the Group to avoid the imposition of a superannuation guarantee charge. Any superannuation contributions deducted from all or part of any cash amount will be paid into an eligible choice fund of an Incentive Right Holder's choice or the Company's default fund where an Incentive Right Holder has not nominated an eligible choice fund.

1.9 Cashless exercise

- (a) Subject to paragraph 1.9(c) below, an Offer to an Eligible Employee may specify that the Incentive Rights Holder may at the time of exercise of those Incentive Rights that are the subject of that Offer, elect to pay the Exercise Price per Incentive Right by setting off the total Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**).
- (b) Where an Incentive Right Holder is permitted in an Offer and elects to use the Cashless Exercise Facility to exercise Incentive Rights, the

Incentive Rights Holder will only be issued or transferred that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable to or as directed by the Company to exercise those Incentive Rights and the then market price of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{IR \times (MP - EP)}{MP}$$

where:

S = the number of Shares to be issued or transferred to the Incentive Right Holder on exercise of Incentive Rights using the Cashless Exercise Facility

IR = the number of Incentive Rights exercised by the Incentive Right Holder using the Cashless Exercise Facility

MP = the market price of a Share at the time of exercise using the Cashless Exercise Facility

EP = the Exercise Price per Incentive Right of the Incentive Rights exercised using the Cashless Exercise Facility

- (c) The Cashless Exercise Facility may only be used by an Incentive Right Holder if the difference between the Exercise Price per Incentive Right and the market price per Share at the time of exercise is greater than zero.

1.10 Trustee

- (a) The Board may determine and conclude agreements with the Trustee, and enforce or prosecute any rights and obligations under such agreements, without reference or recourse to the Incentive Right Holders under the Plan. Subject to the terms of the Trust Deed and without limiting the Company's rights in this regard, the Company may, pursuant to and in accordance with any such agreements:
- (i) provide funds to the Trustee in order to allow the Trustee to subscribe for and/or acquire Shares to be held on behalf of Incentive Right Holders under the Plan;
 - (ii) pay the Trustee for services provided in connection with the Plan and the Trust;
 - (iii) remove the Trustee and appoint a new trustee (and make any necessary arrangements or provisions for the transfer of Shares held by the Trustee for Incentive Right Holders to a new trustee); and
 - (iv) otherwise exercise any rights, responsibilities or powers afforded to it under the Trust Deed.
- (b) The Board may determine the manner in which any costs associated with the Trust and the costs incurred in the course of the performance

by the Trustee of its role and duties under the Plan and the Trust Deed are to be borne.

- (c) The Trustee must administer the Trust and hold Shares under the Plan in accordance with the Plan, the Trust Deed and any procedures determined by the Company and as agreed to between the Board and the Trustee.
- (d) Unless the Board determines otherwise, where Shares are held by the Trustee on behalf of an Incentive Right Holder, those Shares will be registered in the name of the Trustee.

1.11 Determination of Offers

The Board may in its absolute discretion make Offers of Incentive Rights to those Eligible Employee's who the Board determines Offers should be made at any time or times. In determining which Eligible Employees will receive Offers, and which Eligible Employee's will not, the Board may have regard to any matters which it considers relevant, including:

- (a) the Eligible Employee's length of service with the Group;
- (b) the contribution to the Group which has been made by the Eligible Employee;
- (c) the potential contribution of the Eligible Employee to the Group;
- (d) any misconduct or wilful default by an Eligible Employee;
- (e) whether the Eligible Employee will continue to be an employee of the Group at or soon after the time of issue of the Incentive Rights;
- (f) taxation implications for the Group, the Eligible Employee and/or other Eligible Employee's participating in the Plan; and
- (g) any applicable securities and/or employment laws.

1.12 Restriction on the Offer of Incentive Rights

The Board shall not Offer or issue Incentive Rights to any Eligible Employee in accordance with the Plan if:

- (a) it would cause the Company to exceed any thresholds set out in ASIC Class Order 14/1000 (or any class order or law which supersedes it); and
- (b) if the Company is listed, any thresholds set out in the ASX Listing Rules.

1.13 Takeovers or Change of Control

Notwithstanding that Vesting Conditions of some or all Incentive Rights held by an Incentive Rights Holder or Incentive Rights Holders have not been satisfied or waived by the Board, where a change of control event occurs, the Vesting Conditions of the Incentive Rights are deemed to have been satisfied or waived by the Board and the Incentive Rights may be exercised immediately.

1.14 Amendment

(a) Amendment

Subject to paragraphs (c) and (d) below, the Company may at any time, by written instrument or by resolution of the Board, amend all or any of the provisions of the Plan.

(b) Variation

Subject to paragraphs (c) and (d) below, the Company may, in a contract to be offered to a prospective employee, vary all or any of the provisions of the Plan, and such variation shall prevail over any inconsistency with the Plan.

(c) Restrictions on amendment or variation

No amendment or variation of the provisions of the Plan is to reduce the rights of any Incentive Right Holder in respect of Incentive Rights issued to the Incentive Right Holder prior to the date of the amendment or variation, other than an amendment or variation introduced primarily:

- (i) for the purposes of complying with or conforming to present or future laws governing or regulating the maintenance or operation of the Plan or like plans;
- (ii) to correct any manifest error or mistake;
- (iii) to enable contributions or other amounts paid by the Group in respect of the Plan to qualify as tax deductions for that entity;
- (iv) to enable the Incentive Right Holder or their employer to reduce the amount of tax or impost that may otherwise be payable by the Incentive Right Holder or their employer in relation to the Plan including under the *Fringe Benefits Tax Assessment Act 1986* and the *Income Tax Assessment Acts of 1936 and 1997*, or any other similar legislation in any jurisdiction outside Australia;
- (v) for the purpose of enabling Eligible Employees generally (but not necessarily each Eligible Employee) to receive a more favourable taxation treatment in respect of their participation in the Plan;
- (vi) to enable the Group to comply with the Listing Rules or the Corporations Act or any other applicable legislation or regulation whether in Australia or outside Australia; or
- (vii) make regulations for the operation of the Plan which are not inconsistent with these Rules to apply to Eligible Employees and Incentive Right Holders who are residents outside of Australia.

(d) Listing Rules

Where the Company is listed on the ASX, any amendment or variation of the Plan must be made in accordance with, and in the manner stipulated (if any), by the ASX Listing Rules.

SCHEDULE 2 – TERMS OF THE RELATED PARTY OPTIONS

Name of proposed holder: Carmelo Bontempo

Number of Options to be issued: 2,000,000

- (a) Each option entitles the holder to subscribe for and be allotted one ordinary share in the Company.
- (b) The Options are exercisable at the price per ordinary share of equal to a 35% premium to the 15 day VWAP prior to the date of the Meeting.
- (c) The Options will vest on the date that is three years from the date of the Meeting and may be exercised on or after that date subject to the relevant recipient being an Employee, Contractor or Director of the Company at the time of vesting. The options will expire on the date that is three years and one month from the date of this Meeting.
- (d) Options not exercised on or before the expiry date will automatically lapse.
- (e) Options are not transferable except with the prior consent of the Board.
- (f) Options are exercisable after vesting at any time prior to the expiry date by notice in writing to the Directors accompanied by payment of the exercise price.
- (g) The Options do not grant the Option holder the right to participate in new issues of shares without exercising the options.
- (h) Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act 2001 and the ASX Listing Rules.
- (i) The Company is entitled to utilise an employee share trust under which the trustee would either subscribe for new shares, purchase existing shares on-market or off-market, and/or allocate unallocated shares previously acquired by the trustee, to satisfy delivery requirements upon exercise of Options.
- (j) In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reorganisation of capital at the time of the reorganisation.
- (k) If there is a bonus issue to the holders of ordinary shares, the number of ordinary shares over which each option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the Option had been exercised before the record date for the bonus issue.
- (l) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying Shares, the exercise price of the options may be reduced in accordance with ASX Listing Rule 6.22.
- (m) The Company has no present intention to make any application for the options to be quoted on the Official List of the ASX.

SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 27 MAY 2015

On 29 May 2015, the company received Shareholder approval for the Additional Placement Capacity at its 2015 annual general meeting.

The details for each separate issue of Equity Securities during the 12 months preceding the date of the Meeting are:

Date of Issue:	9 February 2016 (Date of Appendix 3B 10 February 2016)
Number of Equity Securities:	1,500,000 unlisted Options
Summary of terms:	Unlisted Options issued under the Tempo Employee Share Option Plan (ESOP) 22 January 2013 can only be exercised on the achievement of certain vesting conditions attached to the options and have an exercise price of \$0.15 per ordinary share, expiring 7 August 2017
Recipient(s):	Max Bergomi
Price:	Nil, the Options were issued under the Tempo ESOP plan 22 January 2013 approved in the annual general meeting on 2 May 2013
Discount to Market Price¹:	Not applicable
Current value of the non-cash consideration:	The Company has valued the Options at \$0.059 per Option using the Black-Scholes method ⁴ . Therefore, the current value of the 1,500,000 Options is \$88,437.07

Date of Issue:	15 April 2016 (Date of Appendix 3B 16 April 2016)
Number of Equity Securities:	6,408,307 Shares issued upon conversion of unlisted Options with an exercise price of \$0.10
Summary of terms:	Fully paid ordinary shares
Recipient(s):	Company Employees
Price:	\$0.10 per Share
Discount to Market Price¹:	65.5% discount to the last traded share price on prior day of \$0.29
Total cash consideration received	\$640,830.7

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: TPP (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.15 each, on or before 7 August 2017. The full terms and conditions were disclosed in the Tempo ESOP approved at the Company's annual general meeting held on 2 May 2013.

4. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Tempo Australia Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Tempo Australia Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00 (WST) on Tuesday, 31 May 2016 at RSM Australia, Board Rooms on Level 7, 8 St Georges Terrace, Perth WA 6000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 3, 4, 5 and 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 3, 4, 5 and 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).


The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

Resolutions	For	Against	Abstain*	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval for issue of Related Party Incentive Rights – Max Bergomi	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Carmelo Bontempo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Issue of Options to Related Party – Carmelo Bontempo	<input type="checkbox"/>	<input type="checkbox"/>
3 Renewal of Adoption of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Performance Rights to Related Party – Max Bergomi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00 (WST) on Sunday, 29 May 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Tempo Australia Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**