

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Tempo Australia Limited

ABN / ARBN:

51000689725

Financial year ended:

31 December 2015

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

☐ These pages of our annual report:

☒ This URL on our website: <http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254>

The Corporate Governance Statement is accurate and up to date as at 31 March 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 31 March 2016

Name of Director or Secretary authorising lodgement: Michael West

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation                             |                                                                                                                                                                                                                                                                                                                                       | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                         | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                      |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b> |                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                            |
| 1.1                                                                     | A listed entity should disclose:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.                                                                                                                            | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement<br>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):<br><input checked="" type="checkbox"/> in our Board Charter -<br><a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2                                                                     | A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>and</b><br><input checked="" type="checkbox"/> at Nomination and Remuneration Charter at<br><a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a>                                                                                                                                                                   | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3                                                                     | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.                                                                                                                                                                                                   | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>                                                                                                                                                                                                                                                                                                                                                              | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4                                                                     | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.                                                                                                                                                               | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>                                                                                                                                                                                                                                                                                                                                                              | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

| Corporate Governance Council recommendation |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                            |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.5                                         | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our People Policy at <a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a></p> <p>And our Nomination and Remuneration Charter at <a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Nomination and Remuneration Charter and People Policy <a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6                                         | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>            |
| 1.7                                         | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>            |

| Corporate Governance Council recommendation    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                            |
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| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                  |
| 2.1                                            | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>and</b></p> <p><input checked="" type="checkbox"/> at Nomination and Remuneration Charter</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2                                            | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>            |

| Corporate Governance Council recommendation        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                              | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                 |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.3                                                | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and<br>(c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br>... and, where applicable, the information referred to in paragraph (b):<br><input checked="" type="checkbox"/> N/A<br>... and the length of service of each director:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                          |
| 2.4                                                | A majority of the board of a listed entity should be independent directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ... the fact that we follow this recommendation:<br><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]                                                                                                                                                                                                                                                     | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5                                                | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.                                                                                                                                                                                                                                                                                                                                                                     | ... the fact that we follow this recommendation:<br><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]                                                                                                                                                                                                                                                     | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6                                                | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.                                                                                                                                                                                                                                                                      | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement                                                                                                                                                                                                                                                                                                     | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable            |
| <b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                       |
| 3.1                                                | A listed entity should:<br>(a) have a code of conduct for its directors, senior executives and employees; and<br>(b) disclose that code or a summary of it.                                                                                                                                                                                                                                                                                                                                                                 | ... our code of conduct or a summary of it:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>and</b><br><input type="checkbox"/> in our Code of Conduct                                                                                                                                                                                                                                            | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                          |

| Corporate Governance Council recommendation              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                       |
| 4.1                                                      | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at Audit Committee Charter</p> <p><a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>        |
| 4.2                                                      | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>                                                                                                                                                                                                                                                                                                                                                                                               | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |

| Corporate Governance Council recommendation                 |                                                                                                                                                                                            | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                        | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                                                               |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.3                                                         | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.                  | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement                                                                                                                                                                                                                                                                                                               | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable             |
| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                     |
| 5.1                                                         | A listed entity should:<br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br>(b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary of it:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>and</b><br><input checked="" type="checkbox"/> in our Communications Policy<br><a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a>                                            | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                                                                        |
| <b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b> |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                     |
| 6.1                                                         | A listed entity should provide information about itself and its governance to investors via its website.                                                                                   | ... information about us and our governance on our website:<br><input checked="" type="checkbox"/> at <a href="http://www.tempoaust.com/">http://www.tempoaust.com/</a>                                                                                                                                                                                                                                                                     | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                                                                        |
| 6.2                                                         | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.                                                    | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>and</b><br><input checked="" type="checkbox"/> in our Communications Policy<br><a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a>                                                               | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                                                                        |
| 6.3                                                         | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.                                      | ... our policies and processes for facilitating and encouraging participation at meetings of security holders:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>and</b><br><input checked="" type="checkbox"/> in our Communications Policy<br><a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |

| Corporate Governance Council recommendation    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
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| 6.4                                            | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |
| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |
| 7.1                                            | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> in our Risk, HSE and Commercial Committee Charter</p> <p><a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>        |
| 7.2                                            | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |



| Corporate Governance Council recommendation |                                                                                                                                                                                                                                                                                                                                                                           | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| 7.3                                         | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>[If the entity complies with paragraph (a):]<br/>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]<br/>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>        |
| 7.4                                         | <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>                                                                                                                                                                  | <p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                                                                                                                                                                                                                                                                                                                                                                          | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |

| Corporate Governance Council recommendation            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                        |
| 8.1                                                    | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>and</b></p> <p><input checked="" type="checkbox"/> at Nomination and Remuneration Committee Charter</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at Nomination and Remuneration Committee Charter</p> <p><a href="http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254">http://www.tempoaust.com/irm/content/corporate-governance2.aspx?RID=254</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>                                                                                                                                       |
| 8.2                                                    | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>                                                                                                                                                  |
| 8.3                                                    | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>And Code of Conduct</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

The purpose of Tempo Australia Ltd (“Tempo” or the “Company”) is to deliver to clients in the resources sector specialist multidisciplinary maintenance and construction services, which protect and enhance their investments, without ever compromising on our values. Whilst doing this the Board is committed to providing a satisfactory return to its shareholders and fulfilling its corporate governance obligations and responsibilities in the best interests of the company and its shareholders. Good governance enables Tempo to deliver this purpose whilst meeting the Boards intent.

This Corporate Governance Statement summarises Tempo’s approach to corporate governance over the financial year of 2016. Over this period the corporate governance approach aligned with the third edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council in August 2007 (“Recommendations”). The Appendix 4G lodged with ASX Limited (“ASX”) indicates whether specific Recommendations are dealt with in this Corporate Governance Statement or on our website, or a combination of both.

This Corporate Governance Statement was approved by the Board of Tempo (“Board”) and is current as at 31<sup>st</sup> March 2016 in accordance with ASX Listing Rule 4.10.3.

## **Principle 1: Lay solid foundations for management and oversight**

### **Role of the Board**

The Board is responsible for, and has the authority to determine, all matters relating to the management and operation of the Company. The Board operates under a Charter, a copy of which is available in the Corporate Governance Section of the Company’s website.

In exercising its responsibilities the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board is responsible for ensuring that management’s objectives and activities are aligned with the expectations and risk identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- Board approval of a strategic plan designed to meet stakeholders’ needs and manage business risk;
- ongoing development of the strategic plan and approving initiatives and strategies designed to ensure continued growth and success of the entity; and
- implementation of budgets by management and monitoring progress against budgets – via the establishment and reporting of both financial and non-financial key performance indicators.

Other functions reserved to the Board include:

- approval of the annual and half-yearly financial reports;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored; and

- reporting to shareholders.

## Board Committees

In line with the organisations continued growth the Board recognised the need to establish some additional Committees in FY2016 and restructure the roles and responsibilities to align more tightly with the ASX Recommendations. To this end the Board has established the following committees:

- Audit Committee (see Principle 4);
- Nomination and Remuneration Committee (see Principles 2 and 8) ; and
- Risk, HSE and Commercial Committee (see Principle 7).

The roles and responsibilities of these committees are discussed in this Corporate Governance Statement in the relevant Principles. All Board Committees have defined Charters all of which can be found in the Corporate Governance Section of the Company's website.

## Role of Management

The responsibility for the operation and administration of the Company is delegated by the Board to the Chief Executive Officer (CEO) and the executive management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the executive management team.

## Role of the Company Secretary

The Company Secretary is responsible for supporting the effectiveness of the Board and is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. Details of Tempo's Company Secretaries can be found in the Annual Report.

## Appointment of Directors

Prior to appointing a director, the Board ensures that proper background checks are performed. Directors appointed by the Board, and directors retiring on rotation in accordance with the Company's constitution, are required to be re-elected by shareholders at a General Meeting of the Company. All relevant information relating to the director's appointment, including details of their skills and experience are made available to shareholders in the notice meeting.

The Company has written agreements in place with each director and officer setting out the terms of their appointment and outlining the key roles and responsibilities. Each director and executives must undergo an appropriate induction process to ensure they are familiar with their obligations and Tempo's operations.

## Performance Evaluation

The performance of the Board, Board Committees and key executives is reviewed regularly against both measurable and qualitative indicators. The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of Tempo. A review of the performance of the Board and key executives was performed during the year.

## Diversity

The Company is committed to being an equal opportunity employer, promoting and supporting a diverse workforce at all levels. The Company has a formal People Policy which encompasses diversity. A copy of the policy is available in the Corporate Governance Section of the Company's website. Tempo has just recently become a 'Relevant Employer' as per the Workplace Gender Equality Act 2012 and is now in the process of developing its gender equality indicator reporting, this will be implemented in the FY16 year.

The Company also has a formal indigenous participation strategy in our operations to encourage community engagement. This strategy outlines the Company's commitment to providing Indigenous employment opportunities, ongoing support, training and career development.

## Principle 2 – Structure the Board to add value

### Board Composition

Together, the Board members have a broad range of financial and other skills, experience and expertise required to effectively oversee Tempo's business. The members of the Board at the date of this Corporate Governance Statement are as follows:

| Name                              | Role                                             | Tenure                                                                                                                         |
|-----------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Carmelo (Charlie) Bontempo</b> | Chairman                                         | Appointed: Chairman 31 March 2016<br>Appointed: Executive Chairman 17 April 2014<br>Appointed: Chairman 7 February 2014        |
| <b>Philip Loots</b>               | Non-Executive Director<br>(Independent)          | Joined: Non-Executive Director 20 February 2014                                                                                |
| <b>Brian Thomas</b>               | Non-Executive Director<br>(Independent)          | Joined: Non-Executive Director 7 April 2015                                                                                    |
| <b>Max Bergomi</b>                | Chief Executive Officer<br>and Managing Director | Appointed: Chief Executive Officer and Managing Director 31 March 2016.<br>Appointed: Chief Executive Officer 11 January 2016. |

*Note: Nick Bowen was a Board member in 2015, before resigning in November 2015.*

Details of all directors to have served during the year, their qualifications, and the number of meetings of the Board held during the year and the attendees at those meetings can be found in the Annual Report.

## Independence

The ASX Principles recommend that the majority of the Board of a listed entity and its Chairman should be independent. For the period of this report the organisation meet the 'majority' recommendation but the Chairman, has been in an Executive role and cannot be considered independent under the ASX Recommendations. For the coming year the Board will no longer meet the 'majority' recommendation.

The Board acknowledges these non-compliances but believes that the Board is appropriately sized and structured to operate effectively in the current market environment without compromising its ability to act in the best interests of all shareholders.

## Nomination and Remuneration Committee

For the period of this report the roles and responsibilities as defined in the ASX Recommendations were allocated to the Board. The Board acknowledges this non-compliance but believed that this was appropriate due to the scale and nature of the organisation in the current market.

Recognising the organisations growth and increasing complexity the Board has now established a Nomination and Remuneration Committee to provide advice, recommendations and assistance to the Board in respect of the composition of the Board and the identification and appointment of directors and senior executives. The members of the Committee at the date of this report are as follows:

| Name                       | Role                                 | Attendance in 2015    |                       |
|----------------------------|--------------------------------------|-----------------------|-----------------------|
|                            |                                      | Eligible to attend    | Number attended       |
| Carmelo (Charlie) Bontempo | Chairman                             | Held in Board meeting | Held in Board meeting |
|                            | Non-Executive Director               |                       |                       |
| Philip Loots               | Non-Executive Director (Independent) | Held in Board meeting | Held in Board meeting |
| Brian Thomas               | Non-Executive Director (independent) | Held in Board meeting | Held in Board meeting |

Details of all directors to have served on the Committee during the year, their qualifications, the number of meetings of the Committee held during the year and the attendees at those meetings can be found in the Annual Report.

All members of the Committee are non-executive directors and the majority are independent directors. The Committee Chairman is an independent director.

## Board Skills and Experience

The composition of the Board is reviewed regularly to ensure that there is an appropriate balance of skills, experience and diversity to perform the Board's duties effectively. Following this year's review changes to the Board were recommended and resulted in the appointment of a Managing Director. The table below sets out the key skills and experience of the Board at the current time:

| Area                    | Skills and experience                                                                                                    |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Leadership              | Executive leadership; Strategic thinking; Risk management; Commercial acumen                                             |
| Finance and Compliance  | Finance and accounting; Legal; Corporate governance; Employment compliance                                               |
| Operations              | Operational Project delivery; Health, Safety and Environment; Industrial relations; Human resources; Contract management |
| Sector and geographical | Maintenance and other contracting; Range of sectors; Domestic and international                                          |

Growth

Business development; capital markets; mergers and acquisitions

## Principle 3 – Act ethically and responsibly

The Company has a written Code of Conduct which sets ethical standards for the directors, senior executives and employees of the Company to ensure that their duties and responsibilities to the Company are performed with integrity. The Company also has a range of supporting standards and a reporting line to address any employee concerns about non-ethical behaviour. The Code of Conduct can be found in the Corporate Governance Section of the Company's website.

The Board Charter sets out the obligations of Directors in dealing with any conflicts of interest. The Code of Conduct provides further guidelines on how directors and executives deal with identified conflicts.

In line with Tempo's Code of Conduct, Tempo has implemented a Security Trading Standard which covers all dealings in Tempo securities by Directors, executives and other designated employees, as well as their respective associates.

## Principle 4 – Safeguard integrity in corporate reporting

### Audit Committee

The Board has delegated responsibility for monitoring and reviewing the integrity of financial statement and the effectiveness of internal controls to an Audit Committee. The Committee operates under a charter approved by the Board. The members of the Committee at the date of this report are as follows:

| Name                       | Role                                 | Attendance in 2015 |                 |
|----------------------------|--------------------------------------|--------------------|-----------------|
|                            |                                      | Eligible to attend | Number attended |
| Brian Thomas               | Chairman                             | 1                  | 1               |
|                            | Non-Executive Director (Independent) |                    |                 |
| Philip Loots               | Non-Executive Director (Independent) | 2                  | 1               |
| Carmelo (Charlie) Bontempo | Non-Executive Director               | 2                  | 2               |

*Note: Nick Bowen was also on the Audit Committee in 2015 before resigning in November 2015 and attended two Audit and Compliance Committee Meetings.*

Details of all directors to have served on the Committee during the year, their qualifications, the number of meetings of the Committee held during the year and the attendees at those meetings can be found in the Annual Report.

For the period of this report the organisation did not meet the recommendation that all members were Non-Executive. The Board acknowledges this non-compliance but believes that the Committee was appropriately structured to operate effectively in the current market environment without compromising its ability to act in the best interests of the Board and shareholders.

All members of the Committee are now non-executive directors and the majority are independent directors. The Committee Chairman is an independent director.

A key role of the Audit Committee is to monitor the performance and independence of the external auditor and providing appointment recommendations to the Board. For the period of the report the External Auditor has asserted their independence through their certificate of independence and the Audit Committee have not identified anything that would suggest the external auditor did not meet this assertion.

## **CEO and CFO Declaration**

Prior to approving the financial statements of the Company the Board receives a declaration from the Chief Executive Officer and Chief Financial Officer that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## **Auditor Attendance at AGM**

The Company's auditor attends the Annual General Meeting and are available to answer questions from shareholders relevant to the audit.

## **Principle 5 – Make timely and balanced disclosure**

The Company is required to make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price of its securities.

The Company has a written Communications policy that defines the Board's intent towards continuous disclosure and is designed to both ensure compliance with the ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance.

A copy of the Communications policy is available in the Corporate Governance Section of the Company's website.

## **Principle 6 – Respect the rights of security holders**

The Company has a written Communication Policy aimed at providing a framework for communications with shareholders. This includes providing an opportunity to ask questions of the Board at the Annual General Meeting where shareholder participation is encouraged.

A copy of this policy is available in the Corporate Governance Section of the Company's website.

The Company's ASX releases, Annual and Half Year Reports and key corporate information, including share registry details, are published on the Company's website. Shareholders can register to receive communications electronically.

An investor relations program is implemented annually and in the current year included half year and full year results briefings and meetings with investors and analysts.

## **Principle 7 – Recognise and manage risk**

The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management includes internal controls to deal with both the effectiveness and efficiency of significant



business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations.

## Risk, HSE and Commercial Committee

For the period of this report the roles and responsibilities defined by the ASX Recommendations were allocated to the Audit and Compliance Committee. The Board has now delegated responsibility for monitoring and reviewing the organisations risk management framework and the effectiveness of internal controls to the Risk, HSE and Commercial Committee ("RHSEC"). The Committee operates under a charter approved by the Board. The members of the Committee at the date of this report are as follows:

| Name                       | Role                                          | Attendance in 2015    |                       |
|----------------------------|-----------------------------------------------|-----------------------|-----------------------|
|                            |                                               | Eligible to attend    | Number attended       |
| Philip Loots               | Chairman                                      | Held in Board Meeting | Held in Board Meeting |
|                            | Non-Executive Director (Independent)          |                       |                       |
| Brian Thomas               | Non-Executive Director (Independent)          | Held in Board Meeting | Held in Board Meeting |
| Carmelo (Charlie) Bontempo | Non-Executive Director                        | Held in Board Meeting | Held in Board Meeting |
| Max Bergomi                | Chief Executive Officer and Managing Director | Held in Board Meeting | Held in Board Meeting |

Details of all directors to have served on the Committee during the year, their qualifications, the number of meetings of the Committee held during the year and the attendees at those meetings can be found in the Annual Report.

The new structure of the RHSEC Committee does not meet the ASX Recommendation that the majority of members are independent and that the Chairman is independent. The Board acknowledges these non-compliances but believes that the Committee is appropriately structured given the context of the organisation and the skills of the members to operate effectively without compromising its ability to act in the best interests of the Board and shareholders.

## Risk Management Framework

The Company's risk management framework is continually evolving in order to maintain relevance to the businesses operations and risk exposure.

The risk management framework was reviewed in the period covered by this report by the Audit and Compliance Committee. The review considered the risk management framework to be appropriate at the present time.

## Internal Audit

The Company does not currently have a formal internal audit function but compliance with key processes including health, safety and environment management and the risk framework are reviewed periodically by

the Company's quality assurance function. The Board believes that this is sufficient at the present time given the scale and nature of the organisations operations.

## **Exposure to Material Risk**

The Board acknowledges that there is a major customer revenue concentration risk which it believes the organisation is appropriately controlling. Other than this the directors and executives does not have any material exposure to economic, environmental and social sustainability risks other than general market risks as discussed in the Annual Report.

## **Principle 8 – Remunerate fairly and responsibility**

### **Nomination and Remuneration Committee**

The Board is responsible for determining and reviewing compensation arrangements for the Board and the executive team. The Board has established a Nomination and Remuneration Committee to provide advice and recommendations with respect to remuneration matters. Further details of the Committee can be found in Principle 2 above.

### **Remuneration Policies and Practices**

The Company has separate policies and practices for the remuneration of non-executive directors and executive directors and senior management. Full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period is contained within the Remuneration Report in the Annual Report.

The Company has a Code of Conduct which prohibits participants in the company's equity-based long term incentive scheme from entering into transactions (such as the use of derivative products) to limit the economic risk of participating in the scheme. A copy of the Code of Conduct is available in the Corporate Governance Section of the Company's website.

## **Conclusion**

The Board is satisfied with its level of compliance with the Recommendations. However, the Board recognises that processes and procedures require continual monitoring and improvement. Tempo's corporate governance framework is continually reviewed and updated as changes occur in the regulatory environment to ensure that it remains effective and compliant.

Authorised by:



**Charlie Bontempo**

**Chairman**

31 March 2016