5 February 2020

Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

PROPOSED VARIATION OF PERFORMANCE RIGHTS AWARDED TO CEO AND CFO

The Board of Tempo Australia Limited (**ASX:TPP**) (**Tempo**) wishes to advise shareholders and the market of a proposed variation to the performance rights granted to the CEO, Dr Paul Dalgleish, and the CFO, Mr. William Howard following the dilutionary impact of the rights issue completed by Tempo in December 2019.

Existing performance rights

As announced on 11 July 2019, the terms of Tempo's employment agreement with Dr Dalgleish entitles him to the following performance rights:

- 12 million performance rights that convert into fully paid ordinary shares upon Tempo's share price trading at not less than a volume weighted average price of $0.09 for 15 consecutive trading days (**Class A Performance Rights**);
- 6 million performance rights that convert into fully paid ordinary shares upon Tempo achieving an audited net profit after tax equal to or greater than $0.02 per share in any of the five financial years ending after 15 July 2019 (**Class B Performance Rights**); and
- 6 million performance rights that convert into fully paid ordinary shares upon Tempo achieving an audited net profit after tax equal to or greater than $0.04 per share in any of the five financial years ending after 15 July 2019 (**Class C Performance Rights**).

The terms of Tempo's employment agreement with Mr. Howard entitles him to the following performance rights:

- 1 million performance rights that convert into fully paid ordinary shares upon Tempo achieving an audited net profit after tax equal to or greater than $0.02 per share in any of the five financial years ending after 15 July 2019 (**Class D Performance Rights**); and
- 1 million performance rights that convert into fully paid ordinary shares upon Tempo achieving an audited net profit after tax equal to or greater than $0.04 per share in any of the five financial years ending after 15 July 2019 (**Class E Performance Rights**).

Details of these performance rights were also included in the Appendix 3Bs released by Tempo on ASX on 2 August 2019, 6 August 2019, 31 October 2019 and 5 November 2019. Tempo has, however, recently identified that these Appendix 3Bs contained a number of errors as follows:

- paragraph 3(c) of the Appendix 3B released on 2 August 2019 incorrectly stated the vesting condition applicable to the 7 million Class C Performance Rights and Class E Performance Rights as Tempo achieving an audited net profit after tax of $0.02 per share, rather than the correct amount of $0.04 per share;

- paragraph 9 of the Appendix 3Bs released on each of 31 October 2019 and 5 November 2019 incorrectly stated the vesting condition applicable to:
  - each of the 6 million Class C Performance Rights and the 1 million Class E Performance Rights as Tempo achieving an audited net profit after tax of $0.02 per share, rather than the correct amount of $0.04 per share; and
  - the 1 million Class D Performance Rights as Tempo's share price on ASX trading at not less than $0.09 for 15 consecutive days, rather than the correct vesting condition of Tempo achieving an audited net profit after tax of $0.02 per share.

An Amended Appendix 3B as at 5 November 2019 is attached.

Proposed variation

Following the dilutionary impact of the rights issue completed by Tempo in December 2019, the Board has reviewed these performance rights and the senior executive contractual entitlements and varied the vesting conditions of the performance rights as follows:

- the vesting condition of the Class A Performance Rights (held by Dr Dalgleish) has been varied such that they can be converted into fully paid ordinary shares if trading in Tempo shares on ASX achieves a volume weighted average trading price of not less than $0.063 for not less than 15 consecutive trading days (commencing after 15 July 2019). An additional 5.1 million Class A Performance Rights have been issued to Dr Dalgleish (with this same varied vesting condition), bringing the total Class A Performance Rights held by him to 17.1 million;
- the vesting condition of the Class B Performance Rights (held by Dr Dalgleish) has been varied such that they can be converted into fully paid ordinary shares upon Tempo achieving an audited net profit after tax equal to or greater than $0.014 per share in any of the five financial years ending after 15 July 2019. An additional 2.55 million Class B Performance Rights have been issued to Dr Dalgleish (with this same varied vesting condition), bringing the total Class B Performance Rights held by him to 8.55 million;
- the vesting condition of the Class C Performance Rights (held by Dr Dalgleish) has been varied such that they can be converted into fully paid ordinary shares upon Tempo achieving an audited net profit after tax equal to or greater than $0.028 per share in any of the five financial years ending after 15 July 2019. An additional 2.55 million Class C Performance Rights have been issued to Dr Dalgleish (with this same varied vesting condition), bringing the total Class C Performance Rights held by him to 8.55 million;
- the vesting condition of the Class D Performance Rights (held by Mr. Howard) have been varied such that they can be converted into fully paid ordinary shares upon Tempo achieving an audited net profit after tax of not less than $0.014 per share in any of the five financial years ending after 15 July 2019; and
- the vesting conditions of the Class E Performance Rights (held by Mr. Howard) have been varied such that they can be converted into fully paid ordinary shares upon Tempo achieving an audited net profit after tax of not less than $0.028 per share in any of the five financial years ending after 15 July 2019.

All performance rights will continue to have no issue or exercise price or other consideration payable by the holders. An Appendix 3G reflecting the above changes will be lodged with the ASX shortly.

The Board further intends to seek shareholder approval for an employee share loan scheme, for senior executives, in-lieu of the current ESS, and to award additional shares under this employee share loan scheme to Mr. Howard that also adjusts for the dilutionary effect discussed above, at the next annual general meeting, to be held before the end of May 2020.

ENDS

This announcement has been authorised for release by the Board of Tempo.

FOR FURTHER INFORMATION PLEASE CONTACT:

Paul Dalgleish
Chief Executive Officer
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CFO & COMPANY SECRETARY
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ABOUT TEMPO

Tempo Australia Limited (ASX: TPP) is one of Australia's leading innovators in the delivery of engineering, construction, maintenance, asset management and telecommunication infrastructure services. The company was established in 2011 and has specific expertise in structural, mechanical, piping, electrical, telecommunication and data communication.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Amended Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Tempo Australia Ltd (**TPP**)

ABN

51 000 689 725

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Fully paid ordinary shares (**Shares**).
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	Approximately 97,867,287 Shares to be issued on a 2:5 basis pursuant a non-renounceable entitlement replacement prospectus dated 5 November 2019 and released on ASX on the same date (**Replacement Prospectus**).
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Same as existing quoted Shares in TPP.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	From the issue date, the Shares will rank equally in all respects with the existing Shares in TPP currently on issue.
5	Issue price or consideration	$0.04 per Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	As disclosed in the Company's entitlement issue Replacement Prospectus, funds will be allocated towards the expenses of the entitlement issue and towards working capital.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 April 2019.
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	97,867,287
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	NA
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1) 20,937,144 7.1A) 33,867,186
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	4 December 2019

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	After completion of the Offer there will be up to 342,535,504 Shares on issue (based on 244,668,217 Shares on issue at the date of this Appendix 3B and the approximately 97,867,287 new Shares to be issued under the Offer)	Fully Paid Ordinary

9 Number and $^{+}$class of all $^{+}$securities not quoted on ASX (*including* the $^{+}$securities in section 2 if applicable)

Number	$^{+}$Class
12,000,000	Class A Performance Rights issued to CEO that are convertible into Shares upon the Company's Share price on the ASX trading at not less than \$0.09 for 15 consecutive trading days.
6,000,000	Class B Performance Rights issued to CEO that are convertible into Shares upon the Company achieving an audited net profit after tax that is equal to or greater than \$0.02 per Share in any of the five financial years ending after the commencement date of the holder.
6,000,000	Class C Performance Rights issued to the CEO that convert into Shares upon the Company achieving an audited net profit after tax equal to or greater than \$0.04 per Share in any of the five financial years ending after the commencement date of the holder.
1,000,000	Class D Performance Rights issued under the Employee Incentive Plan to the Company's Chief Financial Officer (CFO) that are convertible into Shares upon the Company achieving an audited net profit after tax equal to or greater than \$0.02 per Share in any of the five financial years ending after the commencement date of the holder
1,000,000	Class E Performance Rights issued under the Employee Incentive Plan that are convertible into Shares upon the Company achieving an audited net profit after tax equal to or greater than \$0.04 per Share in any of the five financial years ending after the commencement date of the holder.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

No dividend policy presently in place

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the +securities will be offered	2 Shares for every 5 Shares.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares.
15	+Record date to determine entitlements	6th November 2019
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Offer, they will be rounded up to the nearest whole number of Shares.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia, New Zealand and Singapore and any other jurisdictions into which it is decided to make offers, as disclosed in the Entitlement Issue Prospectus.
19	Closing date for receipt of acceptances or renunciations	29th November 2109

20	Names of any underwriters	The Offer is partially underwritten to a total of $3,050,000 by the following entities: - Taylor Collison Limited up to a total of $500,00; - Euroz Securities Ltd up to a total of $500,000 - Angophora Capital Pty Ltd, a company associated with Mr Guido Belgiorno-Nettis, up to a total of $1,500,000; - D&T Superannuation Pty Ltd (ACN 114 721 434) as trustee for the Suntan Super Superannuation Fund, a company associated with David Iverach, up to a total of $500,000; and - Sadsacks Pty Ltd (ACN 132,347,767) as trustee for the WH & GF Howard Superannuation Fund, a company associated with William Howard, up to a total of $50,000.
21	Amount of any underwriting fee or commission	The Underwriters will each receive a cash underwriting fee of 4% of their respective underwritten amounts.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	A prospectus will be issued to shareholders on 8th November 2019.

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements *in full* through a broker?	N/A
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	The issue date for the Shares under the Offer is 4th December 2019.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35	☐	If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
36	☐	If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories 1 - 1,000 1,001 - 5,000 5,001 - 10,000 10,001 - 100,000 100,001 and over
37	☐	A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A
39	+Class of +securities for which quotation is sought	N/A
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A

+ See chapter 19 for defined terms.

41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	N/A

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	N/A	

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .... Date: 5 February 2020
CFO and Company secretary

Print name: William Howard

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	240,804,581
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	97,867,287 Shares to be issued under the Offer
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
"A"	338,671,868

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	50,800,780
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	26,000,000 Performance Right issued 2 August 2019 Issue of 3,863,636 shares 6 August 2019
"C"	**29,863,636**
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	50,800,780
Subtract "C" *Note: number must be same as shown in Step 3*	29,863,636
Total ["A" x 0.15] – "C"	20,937,144 *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	338,671,868
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	33,867,186
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	Nil
"E"	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	33,867,186
Subtract "E" *Note: number must be same as shown in Step 3*	0
Total ["A" x 0.10] – "E"	33,867,186 *Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.