

Board Charter

Introduction

The purpose of the board charter is to set out the role, composition and responsibilities of the Board of Style Limited to ensure:

- a) that the roles and responsibilities of the board are clear and understood by all relevant stakeholders;
- b) the operation of the board and the relationship between the board and the management is clearly understood and
- c) all directors have a clear understanding of the manner in which the board will conduct itself and the company's expectations of them as directors.

Role of the Board

The directors' overriding objective is to increase shareholder value within an appropriate framework which protects the rights and enhances the interests of shareholders and ensures the Company and its controlled entities are properly managed. The function of the board of directors is defined and includes responsibility for:

- a) Approval of corporate strategies, the annual budget and financial plan;
- b) Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
- c) Appointment of, and assessment of the performance of the Managers of each business unit – ie. marketing and manufacturing;
- d) Monitoring managerial performance;
- e) Establishing policies on risk management and ensuring that the significant risks facing the Company and its controlled entities have been identified, and appropriate and adequate control, monitoring and reporting mechanisms are in place;
- f) Reporting to shareholders and regulatory authorities;
- g) establishing the company's corporate level and business level goals and monitoring and implementing strategies to achieve these goals;
- h) reviewing the performance of all board members and overseeing succession plans for the senior executive team;
- i) ensuring that the company has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate and social responsibility;
- j) ensuring that effective audit, risk and controls are in place to protect the Company's assets;
- k) formulate risk management strategies and identify and design and implement policies;
- l) monitor the risk management process and strategies;
- m) to set specific limits of authority for the executive management to commit to new expenditure and enter into new contracts without prior Board approval;
- n) ensuring that the Board is and remains appropriately skilled to meet the changing needs of the company;
- o) monitoring compliance with regulatory requirements (including continuous disclosures);
- p) review the board succession plans;
- q) monitoring ASX and regulatory disclosure requirements;

- r) monitoring the integrity of reporting including ensuring the preparation of accurate financial reports and statements and
- s) ensuring effective and timely reporting to various stakeholders and
- t) ensuring that the shareholders are informed of all major developments affecting the company's state of affairs.

The Board has delegated the authority for the operations and administration of Style Limited and its subsidiaries to the Managing Director.

Powers of the Board

In addition to matters expressly required by law to be approved by the board, powers specifically reserved for the board are as follows:

- (i) appointing and removing the chief executive officer and determining his or her terms and conditions of employment (including remuneration);
- (ii) reviewing and ratifying the systems of risk management and internal control and compliance, codes of conduct and legal compliance, financial and other reporting and major capital expenditure, capital management, and acquisitions and divestitures;
- (iii) any matters in excess of discretions that, from time to time, it may have delegated to the chief executive officer and senior management; and
- (iv) approving each of the following, on the recommendation of the chief executive officer where appropriate:
 - (a) the strategic plan, at least annually;
 - (b) the budget presented to the board
 - (c) the appointment and, where appropriate, the removal of the chief financial officer, company secretary, and other senior executives reporting to the chief executive officer;
 - (d) the acquisition, establishment, disposal or cessation of any significant business of the company;
 - (e) the issue of any shares, options, equity instruments or other securities in the company;
 - (f) any public statements which reflect significant issues of the company policy or strategy; and
 - (g) any changes to the discretions delegated from the board.

Board Membership

The Company's Constitution provides that it shall at all times have at least three (3) and not more than nine (9) directors. There is no requirement for any Director's shareholding qualification.

It is the company's intention to appoint additional independent directors to the board at the time when the company is sufficiently large and complex enough to warrant the needs of their services. The board will review this requirement from time to time. Membership of the board shall be disclosed in the annual report and updated on the company's web site at www.stylelimited.com.

Independence

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- Less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- No sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- None of the directors income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity.

Meetings

Board and committee papers are provided to directors, where possible, two days prior to the relevant meeting.

Board Committees

The board from time to time establishes committees to assist it in carrying out its responsibilities, and adopts charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the board may consider appropriate.

The board has established an audit committee. The company's auditors shall be welcome to attend the audit committee meetings.

Due to the size and lack of complexity of the business, the company has not formerly constituted any further committees. The Board as a whole is able to address governance aspects of the Company's activities and ensure that it adheres to appropriate ethical standards. The Board will follow the company's procedures and policies including the remuneration and nomination procedures as outlined on the company's website. The need for establishing additional committees shall be reviewed by the board from time to time.

Chairman

The directors are to elect their number to the office of chairman and may determine the period for which that director is to be chairman.

The roles of the Chairman will normally include:

- a) ensuring the board obtain consensus on various matters,
- b) establishing the board agenda,
- c) presiding over board minutes and directing board discussions to effectively and efficiently use the time available to address the critical issues facing the entity,
- d) ensuring that the board minutes properly reflect board decisions,
- e) make certain that the board has necessary information to undertake effective decision making,
- f) develop an ongoing relationship with the CEO and
- g) preside over the annual process of board and director evaluation.

The chairman presides over meetings of the board and general meetings of shareholders and the chairman is responsible for leading and managing the board in the discharge of its duties.

The Chief Executive Officer

The chief executive officer's duties are to:

- a) devote his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- b) be accountable for planning, coordinating and directing the operations of the company to achieve strategic, financial and operating objectives as agreed with the board;
- c) formulate and recommend business and financial strategies and plans to develop the company's business and to implement these plans to achieve agreed performance targets;
- d) promote the interests of the company; and
- e) faithfully and diligently perform the duties and exercise the power.

In fulfilling his or her duties, the chief executive officer:

- a) reports directly to the board;
- b) provides prompt and full information to the board regarding the conduct of the business of the company; and
- c) complies with reasonable directions given by the board.

The Company Secretary

The Company Secretary is responsible for carrying out the administrative and legislative requirements of the board. In particular the Company Secretary supports the effectiveness of the board by:

- a) maintaining strict independence and impartiality in dealing with all matters pertaining to the role;
- b) ensuring the board agenda is developed in a timely and effective manner for review and approval by the Chairman;
- c) co-ordinating, organising and attending meetings of board and shareholders;
- d) drafting and maintaining board minutes
- e) in conjunction with the CEO and other senior management, carry out instructions of the board and give practical effect to the board's decisions;
- f) allowing all directors and officers access to have access to advice and services;
- g) meeting the statutory requirement required by relevant legislation and listing rules and
- h) working with the directors to establish and deliver best governance practice.

The company secretary is responsible to the board, through the chairman, on all governance matters.

Duties of Directors

Directors are expected to accept all duties and responsibilities associated with the running of a public company, to act in the best interests of the Company and to carry out their duties and responsibilities with due care and diligence.

Directors are required to take into consideration conflicts when accepting appointments to other Boards. Accordingly, Directors wishing to accept appointment to other Boards must first seek approval from the Board, approval of which will not be unreasonably withheld.

Board Performance

The board undertakes an annual performance evaluation of itself that:

- a) compares the performance of the board with the requirements of its charter; and
- b) effects any improvements to the board charter deemed necessary or desirable.

The performance evaluation is conducted in such manner, as the board deems appropriate.

Appointment

A letter of appointment together with induction material shall be sent out to all new directors appointed to the board. The letter of appointment sets out the key terms and conditions relative to the appointment. The newly appointed Directors are required to be aware of their duties and responsibilities.

Term of Office

Directors newly appointed by the board will hold office until re-appointment at the next general meeting of Style Limited. The new directors are eligible for election as a director at this meeting and, if elected, will be subject to retirement by rotation under Style's constitution.

At any time during an individual Director's tenure including when he or she becomes subject to re-election under Style's constitution or the law, his or her performance as Director may be reviewed in accordance with processes agreed by the boards from time to time. The Director will be allowed to participate in any review of their performance. A recommendation as to the Director's re-appointment may be made in notices of meeting or other material provided to shareholders.

A Director may cease to hold office as director at any time that he or she resigns by written notice. It is desirable that the Board is given reasonable forewarning of the resignation so that the company can plan for succession of skills and experience on the boards.

Reporting

Proceedings of all meetings are minuted and signed by the Chairman or the chairman of the meeting. Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

Independent Professional Advice

The Board has determined that individual Directors may, in appropriate circumstances engage outside advisers at the Company's expense. The engagement of an outside adviser is subject to the prior approval of the Board, which will not be unreasonably withheld.

Consultancy Work

From time to time, some board members may be called on for special consultancy work. Current procedures stipulate that executives are required to put a proposal to the board for approval prior to using the consultancy services of a director. Before a director's consultancy services can be paid, the board will ensure that the payment is in accordance with the original proposal.

Compensation Arrangements

The maximum aggregate amount payable to non-executive Directors as Directors' fees has been set by the shareholders and can only change pursuant to a resolution at a general meeting.

The Board is responsible for reviewing and negotiating the compensation arrangements of senior executives and executive directors.

Internal Management Controls

The Managing Director under the supervision of the Board exercises control over the operations.

Identifying Significant Business Risks

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's shares, however, the Directors recognise that an enterprise that Style is establishing and bringing to market is inherently risky.

Review of Charter

The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities.