
TERMS AND CONDITIONS OF OPTIONS

Each Option entitles the holder to subscribe for one Share upon exercise of each respective Option on the following terms:

(a) Exercise Price

Subject to paragraph (k) the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

(b) Expiry Date

Each Option will expire at 5.00pm (WST) on or after the date 5 years from the date of issue (**Expiry Date**). An Option not exercised before the **Expiry Date** will automatically lapse on the **Expiry Date**.

(c) Exercise Period

The Options are exercisable at any time on or prior to the **Expiry Date** (**Exercise Period**).

(d) Notice of Exercise

The Options may be exercised during the **Exercise Period** by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the **Exercise Price** for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(e) Exercise Date

A **Notice of Exercise** is only effective on and from the later of the date of receipt of the **Notice of Exercise** and the date of receipt of the payment of the **Exercise Price** for each Option being exercised in cleared funds (**Exercise Date**).

(f) Timing of issue of Shares on exercise

Within 10 Business Days after the later of the following:

- (i) the **Exercise Date**; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 15 Business Days after the **Exercise Date**, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the **Notice of Exercise** and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (f)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(h) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised. Except that the exercise price of an Option may be reduced in accordance with the ASX listing rules in the event that a pro-rata issue is made to the holders of the underlying securities in the Company.

(l) Unquoted

The Company will not apply for quotation of the Options on ASX.

(m) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Terms and Conditions of Performance Rights

- (a) **Performance Right:** Each Performance Right entitles the Holder to be issued one Share for zero consideration, subject to the terms and conditions below.
- (b) **No transfer:** The Performance Rights may not be assigned, transferred, novated, encumbered, or otherwise disposed of by the Holder, unless:
 - (i) the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion; or
 - (ii) such assignment or transfer occurs by force of law upon the death of the Holder to the Holder's legal personal representative.
- (c) **Vesting Conditions:** The vesting conditions applicable to the Performance Rights are set out in Section 18.1 of the Notice.
- (d) **Notice of vesting of Performance Right:** Within 30 days following each Test Date, the Board shall determine whether relevant Vesting Conditions attaching to the relevant Performance Rights have been met, and shall provide written notice to the Holder (or where the Holder was a Nominee, the Eligible Person) as to that determination.
- (e) **Early vesting of Performance Rights:** The Board may in its sole and absolute discretion resolve that despite the Vesting Conditions not being satisfied, that Performance Rights will vest in the following circumstances:
 - (i) if the Holder (or where the Holder was a Nominee, the Eligible Person) ceases to be an employee due to death or Total and Permanent Disability or retirement or redundancy; or
 - (ii) the Holder (or where the Holder was a Nominee, the Eligible Person) suffers severe financial hardship; or
 - (iii) the death or terminal illness of the Holder (or where the Holder was a Nominee, the Eligible Person) or of an immediate family member of the Holder (or where the Holder was a Nominee, the Eligible Person); or
 - (iv) substantial change in circumstances, out of the control of the Holder (or where the Holder was a Nominee, the Eligible Person) which affects the ability of the Holder (or where the Holder was a Nominee, the Eligible Person) to perform his or her role with a Group Company,and will provide written notice to the Holder (or where the Holder was a Nominee, the Eligible Person) of any such determination.
- (f) **Exercise of Performance Right by Holder:** where a Holder (or where the Holder was a Nominee, the Eligible Person) has received notice from the Board that a Performance Right has vested, the vested Performance Right may be exercised at any time up until 5.00pm (WST) on the Last Exercise Date by the delivery to the Company Secretary of:
 - (i) the certificate for the Performance Rights or, if the certificate for the Performance Rights has been lost or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost or destroyed; and

- (ii) a duly completed and executed notice of exercise of a Performance Right in the form approved by the Board from time to time.
- (g) **Interest in Shares:** A Holder has no right or interest in a Share the subject of a Performance Right held by the Holder unless and until the Performance Right is exercised and the Share is issued. Nor does the Holder have any rights to dividends, rights to vote or rights to the capital of the Company as a shareholder as a result of holding a Performance Right. Subject to the Corporations Act and the Constitution, a Holder will not, as a holder of a Performance Right, have any right to attend to vote at general meetings of holders of Shares.
- (h) **Equal rank:** A Share issued on exercise of a Performance Right will rank equally in all respects with Shares already on issue on the date of issue of the Shares, except for entitlements which had a record date before the date of issue of that Share.
- (i) **Official quotation:** The Company will make application for Shares which are issued upon exercise of Performance Rights to be quoted in accordance with the Listing Rules within 10 Business Days of the later of:
 - (i) the date the Shares are issued; and
 - (ii) the date that any restriction period applying to the Shares under Chapter 9 of the Listing Rules ends,

provided the Company is listed on the ASX at the time.
- (j) **Lapse of Performance Rights:** Unless determined otherwise by the Board a Performance Right lapses on the earlier of:
 - (i) the Board determining that any Vesting Condition applicable to the Performance Right has not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
 - (ii) an unauthorised dealing in, or hedging of, the Performance Right;
 - (iii) the day immediately following the Last Exercise Date;
 - (iv) the Expiry Date; or
 - (v) the Company undergoing a Change of Control Event or winding up;
 - (vi) the Performance Right lapsing in accordance with paragraph (l).

Where Performance Rights have lapsed:

 - (vii) all rights of a Holder in respect of those Performance Rights are forfeited; and
 - (viii) the Company will:
 - (A) notify the Holder that the Performance Rights have lapsed;
 - (B) cancel the Performance Rights;
 - (C) if only part of the Performance Rights covered by a certificate have lapsed, issue a certificate stating the remaining number of Performance Rights held by the Holder that have not lapsed; and

- (D) not be liable for any damages or other amounts to the Holder (or where the Holder was a Nominee, the Eligible Person) in respect of the Performance Rights.
- (k) **Change of Control:** If a Change of Control Event occurs, the Board may in its sole and absolute discretion, and subject to the Listing Rules determine how unvested Performance Rights held by a Holder will be treated, including but not limited to:
 - (i) determining that unvested Performance Rights (or a portion of unvested Performance Rights) will vest and become immediately exercisable in accordance with paragraph (f), with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Holder (or Eligible Person) is terminated or ceases in connection with the Change of Control Event; and/or
 - (ii) reducing or waiving any of the Vesting Conditions attaching to those unvested Performance Rights.

Whether or not the Board determines to accelerate the vesting of any Performance Rights under this clause, the Company shall give written notice of any proposed Change of Control Event to each Holder.
- (l) **Breach, fraud or misconduct:** If the Board determines that a Holder (or where the Holder was a Nominee, the Eligible Person) at any time:
 - (i) has been dismissed or removed from office for a reason which entitles a Group Company to dismiss the Holder (or Eligible Person) without notice;
 - (ii) has been convicted on indictment of an offence against the Corporations Act in connection with the affairs of a Group Company;
 - (iii) has had a judgement entered against him or her in civil proceedings in respect of the contravention by the Holder (or Eligible Person) of his or her duties at law, in equity or under statute in his or her capacity as an executive or Director of a Group Company;
 - (iv) has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of that body corporate (whether or not charged with an offence);
 - (v) is in material breach of any of his or her duties or obligations to a Group Company; or
 - (vi) has done an act which brings a Group Company into disrepute,

the Board may determine that all Performance Rights held by the relevant Participant will lapse in accordance with paragraph (j).
- (m) **No participation rights:** There are no participating rights or entitlements inherent in the Performance Rights and a Holder will not be entitled to participate in new issues of capital offered to holders of Shares during the currency of the Performance Rights.
- (n) **Reorganisation:** A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised. However, if there is a reorganisation of the issued capital of the Company (including a consolidation, subdivision, reduction or return) then the rights of a Holder (including the number of Performance Rights to which each Holder is entitled) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (o) **Escrow:** The Performance Rights may be classified by ASX as restricted securities for a period of 24 months commencing on the date the Company's securities are reinstated to

quotation on ASX following its recompliance with Chapters 1 and 2 of the ASX Listing Rules

Definitions:

In these terms and conditions:

ASX means the Australian Securities Exchange.

Board means the board of directors of the Company.

Business Day means a day on which banks are open for general business in Perth, Western Australia, excluding Saturdays or Sundays.

Change of Control Event occurs where:

- (a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
- (b) the Court sanctions/shareholders approve with the requisite majorities under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (d) any Group Company enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; or
- (e) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies.

Company means Style Limited ACN 009 248 720.

Company Secretary means the company secretary of the Company.

Eligible Person means the person to whom the Performance Rights were offered.

Expiry Date means the date which is the earlier of:

- (a) the date the Holder (or where the Holder was a Nominee, the Eligible Person) resigns as a full time employee of the Company;
- (b) the date falling 12 months after the date of the Holder's (or where the Holder was a Nominee, the Eligible Person's) retirement from the Company; and
- (c) the date falling 12 months after the date the Holder's (or where the Holder was a Nominee, the Eligible Person's) position is made redundant by the Company.

Group Company means the Company, its subsidiaries or any other related body corporate of the Company.

Holder means the holder of a Performance Right.

Last Exercise Date means the date that is 90 days after the date the Board determines that a Performance Right vests in accordance with these terms.

Listing Rules means the official listing rules of ASX as amended from time to time.

Nominee means in respect of an Eligible Person:

- (d) an immediate family member of the Eligible Person;
- (e) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Person is a director of the trustee; or
- (f) a company whose members comprise no persons other than the Eligible Person or immediate family members of the Eligible Person.

Notice means the Company's 2015 Notice of Annual General Meeting.

Performance Right means a conditional right to acquire a Share on the terms set out in these terms and conditions.

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

Test Date means the date at which Vesting Conditions attaching to a Performance Right are to be tested to determine whether the Performance Right vests, as set out in Section 18.1 of the Notice.

Total and Permanent Disablement means in relation to a Holder (or Eligible Person as the case may be), the termination or cessation of that person's employment with a Group Company as a result of total and permanent disablement, as determined by the Board.

Vesting Conditions means the conditions set out in paragraph (c) of these terms and conditions.