

Notice of Extraordinary General Meeting

Funtastic Limited ACN 063 886 199

Date: 23 June 2021

Time: 11:00am (Melbourne time)

Place: This Extraordinary General Meeting (**Meeting**) will be conducted as a virtual Meeting, accessible online.

IMPORTANT INFORMATION REGARDING COVID-19: Due to COVID-19 pandemic, the Meeting will be held as a virtual Meeting. If you wish to virtually attend the Meeting, please pre-register in advance for the virtual Meeting here: https://us02web.zoom.us/webinar/register/WN_vfHE1y6OSSurzKFPr8edWg

Shareholders are also strongly encouraged to lodge their completed Proxy Forms in accordance with the instructions in this Notice.

Important Notes: Shareholders should read this Notice and the Explanatory Notes (Notes) in full.

This Notice and Notes do not take into account the individual investment objectives, financial situation or particular needs of any person. If you are in any doubt about the action you should take, please consult your stockbroker, solicitor, accountant or other professional adviser without delay.

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting (**Meeting**) of Shareholders of Funtastic Limited ACN 063 886 199 (**Company**) will be held virtually on an online platform at 11:00am (Melbourne time) on Wednesday 23 June 2021 to consider and vote on the Resolutions set out below.

The Explanatory Notes (**Notes**), which accompany and form part of this Notice, describe the matters to be considered at the Meeting. Terms used in this Notice and the accompanying Notes are defined in the Glossary on page 17 of the Notes.

Important Information for Shareholders about the Meeting

IMPORTANT NOTICE REGARDING ATTENDANCE, COVID-19 AND THE VIRTUAL MEETING

Due to the global COVID-19 pandemic, the Company has taken steps to ensure all Shareholders can participate in the Meeting virtually online while maintaining their health and safety, and abiding by Federal and State Government requirements and guidelines regarding COVID-19. Shareholders will not be able to attend the Meeting in person.

However, Shareholders do not need to attend the Meeting physically in order to cast their votes or to participate in the Meeting. Accordingly, the Company strongly encourages all Shareholders who wish to vote to do so by:

- (1) participating in the virtual Meeting and casting a vote online;
- (2) appointing the Chair as their proxy (and where desired, direct the Chair how to vote on a Resolution) by completing and returning the Proxy Form; or
- (3) lodging their votes online at <https://investor.automic.com.au/#/loginsah>.

Further details on the virtual Meeting and appointment of proxies are set out below.

Virtual Meeting

If you are a Shareholder and wish to virtually attend the Meeting (which will be broadcast as a live webinar) please **pre-register** in advance of the virtual Meeting here:

https://us02web.zoom.us/webinar/register/WN_vfHE1y6OSsurzKFPr8edWg

After registering, you will receive a confirmation containing information on how to attend the virtual Meeting on the day of the Meeting.

Shareholders will be able to vote and ask questions at the virtual Meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted to egm2021@funtastic.com.au at least 48 hours before the Meeting.

The Company will also provide Shareholders with an opportunity to ask questions during the Meeting in respect of the formal items of business as well as general questions in relation to the Company and its business.

Business of Meeting

Overview

Item 1 – Change of the Company Auditor

Resolution 1: Removal of Grant Thornton Audit Pty Ltd as the Company auditor

Resolution 2: Appointment of RSM Corporate Australia Pty Ltd as the Company auditor

Item 2 – Proposed Transactions

Resolution 3: Approval of the change of name of the Company

Resolution 4: Approval of issue of ordinary shares to a related party

Item 3 – Change(s) to the Company Constitution

Resolution 5: Approval of the amendment of Company Constitution

Ordinary Business

ITEM 1 – CHANGE OF COMPANY AUDITOR

RESOLUTION 1: REMOVAL OF COMPANY AUDITOR

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

“That, Grant Thornton Audit Pty Ltd, the current auditor of the Company, be removed as the auditor of the Company effective from the date of the Meeting.”

Further information in relation to Resolution 1 is set out in Section 4 of the Explanatory Notes.

RESOLUTION 2: APPOINTMENT OF AUDITOR

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

“That, subject to the passing of Resolution 1, RSM Corporate Australia Pty Ltd being qualified to act as auditor of the Company and having consented to act as the auditor of the Company, be appointed as the auditor of the Company effective from the date of the Meeting and the Directors be authorised to agree to the remuneration.”

Resolution 2 is a special resolution and therefore requires the approval of at least 75% of the votes cast by Shareholders.

Further information in relation to Resolution 2 is set out in Section 4 of the Explanatory Notes.

ITEM 2 – PROPOSED TRANSACTIONS

RESOLUTION 3: APPROVAL OF THE CHANGE OF COMPANY NAME

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

“That, for the purposes of section 157(1) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Toys“R”Us ANZ Limited.”

Resolution 3 is a special resolution and therefore requires the approval of at least 75% of the votes cast by Shareholders.

Further information in relation to Resolution 3 is set out in Section 5 of the Explanatory Notes.

Voting Exclusion Statement for Resolution 3

The Company will disregard any votes cast in favour of this Resolution by TRUK and its closely related parties.

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair which:
 - does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorises the Chair to vote on this Resolution as the Chair decides;
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4: ISSUE OF SHARES TO TRU KIDS INC (TRUK)

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

“That, subject to the above Resolution 3 to change the name of the Company being passed, for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the issue of 2,380,852 Shares to TRUK in consideration of TRUK consenting to the Company being granted a sublicense by TRUL to use that name”

Further information in relation to Resolution 4 is set out in Section 6 of the Explanatory Notes.

Voting Exclusion Statement for Resolution 4

The Company will disregard any votes cast in favour of this Resolution by TRUK and its closely related parties.

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair which:
 - does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorises the Chair to vote on this Resolution as the Chair decides;
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

ITEM 3 – CHANGE TO COMPANY CONSTITUTION

RESOLUTION 5: AMENDMENTS TO COMPANY CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act, and for all other purposes, approval is given for the Constitution of the Company to be modified by making the amendments contained in the Explanatory Statement and in the form presented at the Meeting and received by the Chair for identification purposes, with effect from the close of the Meeting.”

Further information in relation to Resolution 5 is set out in Section 7 of the Explanatory Notes.

Voting and Entitlements

Entitlement to vote

The Directors have determined that for the purpose of determining entitlements to vote at the Meeting, Shares will be taken to be held by the persons who are the registered holders at 11:00am (Melbourne time) on **Wednesday 23 June 2021**. Accordingly, Shares registered after that time will be disregarded in determining entitlements to vote at the Meeting.

Proxies, Power of Attorney and Corporate Representatives

1. A Shareholder who is entitled to attend and vote at the Meeting may appoint up to two proxies to attend and vote on behalf of that Shareholder.
2. If a Shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
3. A proxy need not be a Shareholder of the Company.
4. In order to lodge a valid vote, Shareholders must ensure the electronic proxy appointment (and the power of attorney or other authority under which it is signed, if any) is received by Automic Group (see below), no later than **11:00am (Melbourne time) on Monday 21 June 2021**.
5. Shareholders can arrange to receive a hard copy of the Proxy Form by contacting Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) and follow the instructions on the form. For the vote to be valid the Proxy Form must be received by Automic Group, no later than **11:00am (Melbourne time) on Monday 21 June 2021**.
6. Proxies given by corporate Shareholders must be executed in accordance with their constitutions or signed by a duly authorised officer (or officers) or attorney.
7. A proxy may decide whether to vote on any Resolution except where the proxy is required by law or the constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business the proxy may vote as he or she thinks fit.
8. If a Shareholder appoints the Chair of the Meeting as the Shareholder's proxy using the attached Proxy Form and does not specify how the Chair is to vote on an item of business, the Chair will be authorised to vote as he decides on all Resolutions. The Chair intends to vote all such proxies in favour of all Resolutions. However, the Chair will not vote such proxies to the extent that the shareholder is restricted by law from voting on any Resolutions.
9. If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the Meeting and provides satisfactory evidence of the appointment of its corporate representative.
10. Please refer to other notes appearing on the enclosed Proxy Form.

Corporate representatives

A Shareholder that is a body corporate may appoint an individual to act as its representative at the Meeting pursuant to section 250D of the Corporations Act. Unless otherwise specified in the appointment, the representative may exercise all or any of the powers that the body corporate may exercise at the Meeting or in voting on a Resolution.

Your vote is important

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

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy Form must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the Meeting will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to **register for an account as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website: <https://investor.automic.com.au/#/home>, click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the Meeting:

1. **(Login)** Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
2. **(Registration on the day)** If registration for the virtual Meeting is open, click on 'Meeting open for registration' and follow the steps.
3. **(Live voting on the day)** If live voting for the virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

Directors' Recommendations

The Board advises that where entitled to vote, each Director intends to vote all Shares held or controlled by them in favour of the Resolutions in respect of which they are providing a recommendation as set out in this Notice.

By Order of the Board.



Kevin A Moore FAICD, MCIM

Chair of the Board of Directors

21 May 2021

Explanatory Notes

A INTRODUCTION AND BACKGROUND

1. INTRODUCTION

1.1 Important Information

These Explanatory Notes have been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held virtually on an online platform on Wednesday 23 June 2021 at 11:00am (Melbourne time). The purpose of these Explanatory Notes is to provide Shareholders with information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice.

Resolution 1 and 2 relates to the removal of the current auditor of the Company and the appointment of a new auditor for the Group.

Resolutions 3 and 4 relate to a change in the name of the Company to Toys“R”Us ANZ Limited which requires the sublicense of the TRU Mark from TRUL to the Company (with TRUK’s approval) and the issuing of shares to TRUK as consideration for approving the sublicense of the TRU Mark to the Company.

Resolution 5 relates to changes to the Company’s constitution that will allow the company to conduct virtual and hybrid meetings of shareholders as provided for in relevant legislation (amongst other amendments).

The Notice and these Explanatory Notes should be read in their entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a professional advisor prior to voting.

2. INTERPRETATION

All capitalised terms used in these Explanatory Notes have the meanings set out in the Glossary located on page 17 or as otherwise defined in these Explanatory Notes. References to “\$” in the Notice and Explanatory Notes are references to Australian currency unless otherwise stated. References to time in the Notice and Explanatory Notes are references to time in Melbourne, Victoria.

2.1 Voting Exclusion Statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

3. BACKGROUND AND APPLICABLE LISTING RULES AND PROVISIONS OF THE CORPORATIONS ACT

3.1 Introduction

There are a number of approvals and requirements under the Listing Rules and Corporations Act that are relevant to the Resolutions set out in the Notice. To avoid lengthy duplication throughout these Explanatory Notes, this Section 3 sets out a summary of the provisions that are referred to in the Notice and these Explanatory Notes.

3.2 Listing Rule 7.1 – issues exceeding 15% of capital

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for the issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

Any issue of Shares that is approved by Shareholders at a Meeting for the purposes of Listing Rule 7.1 will not use any of the Company's 15% placement capacity under Listing Rule 7.1.

3.3 **Listing Rule 7.2 – Exceptions to Listing Rule 7.1 and 7.1A**

Listing Rules 7.1 and 7.1A do not apply where an issue of securities is made with the approval of the holders of the entity's ordinary securities under Listing Rule 10.11 or 10.14 (Exception 14 of Listing Rule 7.2).

3.4 **Listing Rules 10.11 – Approval required for certain issues of securities**

Listing Rule 10.11 states that a company must not issue, or agree to issue, equity securities (which includes options to acquire shares and share appreciation rights) to a Related Party without the approval of shareholders under that rule, unless an exception applies.

For the purposes of the Listing Rules, a **Related Party** of a public company includes:

- (a) any person or entity that controls the public company;
- (b) a director of the public company or of an entity that controls the public company (and their spouses, parents and children);
- (c) any person or entity that is controlled by a person or entity which is otherwise a Related Party;
- (d) any person or entity for which there are reasonable grounds to believe that the person or entity is likely to become a Related Party of the public company; or
- (e) any person or entity acting in concert with a person or entity that is otherwise a Related Party of the public company.

Listing Rule 10.12 sets out a number of exceptions to Listing Rule 10.11.

3.5 **Listing Rule 10.13 – requirements for notice of meeting under Listing Rule 10.11**

The notice of meeting to approve the issue of securities to a person under rule 10.11 must include each of the following.

- (a) The name of the person.
- (b) Which category in rules 10.11.1 – 10.11.5 the person falls within and why.
- (c) The number and class of securities to be issued to the person.
- (d) If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.
- (e) The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting.
- (f) The price or other consideration the entity will receive for the issue.
- (g) The purpose of the issue, including the intended use of any funds raised by the issue.
- (h) If the person is:
 - (i) a director and therefore a related party under rule 10.11.1; or
 - (ii) an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5,

and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package.

- (i) If the securities are issued under an agreement, a summary of any other material terms of the agreement.
- (j) A voting exclusion statement.

3.6

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition. Relevantly, there is an exception if the company first obtains the approval of its shareholders in a general meeting in circumstances where certain requirements specified in Chapter 2E in relation to the convening of that meeting have been met.

Whilst similar to the definition of "Related Party" in the Listing Rules, a **Related Party** for the purposes of Chapter 2E includes:

- (a) any person or entity that controls (or is reasonably likely to control) the public company;
- (b) a director (or a relevantly proposed director) of a public company or of any entity that controls the public company (and their spouses, parents and children);
- (c) any person or entity that is controlled by the person or entity which is otherwise a Related Party;
- (d) any person or entity for which there are reasonable grounds to believe that a person or entity is likely to become a Related Party of the public company; or
- (e) any person or entity that acts in concert with a Related Party of the public company on the understanding that the Related Party will receive a Financial Benefit if the public company gives that person or entity a Financial Benefit (see section 228 of the Corporations Act).

As noted above, the definition of a Related Party for the purposes of the Corporations Act is similar to that under the Listing Rules. A key difference is that the Corporations Act concept of being a Related Party by virtue of "acting in concert" is narrower than the Listing Rules concept. Under the Corporations Act a person or entity "acting in concert" with a Related Party will only be a "Related Party" if it does so "on the understanding that the Related Party will receive a Financial Benefit if the public company gives that person or entity a Financial Benefit."

The term **Financial Benefit** used in Chapter 2E has a very wide meaning. It includes the public company paying money or issuing securities to a Related Party. In determining whether or not a Financial Benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given or paid for the Financial Benefit is to be disregarded, even if it is full or adequate.

Control, for the purposes of Chapter 2E, is defined in section 50AA. Under that definition an entity controls a second entity if the first entity has the capacity to determine the outcome of decisions about the second entity's financial and operating policies.

3.7

Item 7 of section 611 of the Corporations Act

Under section 606(1) of the Corporations Act, unless certain exemptions apply, a person must not acquire a Relevant Interest in the issued voting shares of a listed company if, as a result of that transaction, that person's (or another person's) Voting Power in the company increases:

- (a) from 20% or below to more than 20%; or

- (b) from a starting point that is above 20% and below 90%.

3.8 Voting Power

The **Voting Power** of a person in a company is determined in accordance with section 610 of the Corporations Act. The calculation of a person's Voting Power in a company involves determining the voting shares in the company in which the person and the person's Associates have a Relevant Interest.

(a) Relevant Interests

Under section 608(1) of the Corporations Act, a person has a **Relevant Interest** in securities if they are the holder of the securities, have the power to exercise, or control the exercise of, a right to vote attached to the securities, or have power to dispose of, or control the exercise of a power to dispose of, the securities.

(b) Associate

For the purposes of determining Voting Power in relation to a company under the Corporations Act, a person (**second person**) is an **Associate** of the other person (**first person**) if:

- (i) the first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the first person;
- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Determining whether persons are "Associates" is a matter of fact. That means the specific factual circumstances must be considered to determine whether a person controls or influences the composition of a company's board or the conduct of a company's business affairs, or acts in concert with a person in relation to a company's business affairs.

(c) Item 7 Exception

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition in section 606(1) of the Corporations Act. The exception provides that a person may acquire Relevant Interests in a company's voting shares that would otherwise be a breach of section 606(1) of the Corporations Act if the shareholders of the company approve the transaction, provided that:

- (i) no votes are cast in favour of the resolution by the acquirer proposing to make the acquisition or their Associates; and
- (ii) shareholders are given all information known to the acquirer or the company that is material to the decision on how to vote.

ASIC Regulatory Guide 74 (Acquisitions Approved by Members) specifies certain additional requirements where a Company seeks shareholder approval under item 7 of section 611 of the Corporations Act.

3.9 Section 136(2) of the Corporations Act

Under section 136(2) of the Corporations Act, the Company may modify or repeal its constitution, or a provision of its constitution, by special resolution.

3.10 Section 327D of the Corporations Act

In the event an auditor of a company is removed from office at a general meeting in accordance with section 329 of the Corporations Act, then the company may at that general meeting (without adjournment), by special resolution immediately appoint an individual, firm or company as auditor of the company if a copy of the notice of nomination has been sent to the individual, firm, or company nominated, each auditor of the company and each person entitled to receive notice of general meetings of the company pursuant to section 328B(3) of the Corporations Act.

3.11 Section 328A

Under section 328A, a company, or the company's directors, must not appoint an individual, firm or company as auditor of the company unless that individual, firm or company has consented, before the appointment, to act as auditor and has not withdrawn that consent before the appointment is made.

For the purposes of this section, a consent, or the withdrawal of a consent, must be given by written notice to the company or the directors of the company.

3.12 Section 328B of the Corporations Act

If a member gives a company notice of the nomination of an individual, firm or company for appointment as auditor of the company, the company must send a copy of the notice to each individual, firm or company and each auditor of the company, and each person entitled to receive notice of general meetings of the company. The copy of the notice of nomination must be sent not less than 7 days before the meeting or at the time the notice of the meeting is given.

3.13 Section 329 of the Corporations Act

Under section 329(1) and 329(1A) of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given.

It should be noted that under this section, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

Under section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under section 329 of the Corporations Act.

3.14 Section 249S of the Corporations Act

Hybrid meetings

A hybrid shareholders' meeting shares characteristics of both a traditional and a virtual meeting, allowing shareholders to opt between attending the meeting in person at a physical venue and attending the meeting online.

Section 249S of the Corporations Act expressly allows a company to hold a meeting of its members at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate in the meeting. This provision is generally considered broad enough to accommodate hybrid meetings.

Virtual meetings

A virtual general meeting is a meeting whereby shareholders are given the opportunity to attend the general meeting using an online platform which allows shareholders to vote, ask questions and participate electronically in real-time, rather than attend the meeting at a physical venue.

The position relating to virtual-only meetings is less clear than hybrid meetings because of the language used in the Corporations Act, which requires a meeting to be held "*at a reasonable time and place*" and requires that "*place*" to be set out in the notice of meeting (sections 249R and 249L of the Corporations Act, respectively) and while section 249S of the Corporations Act authorises the use of technology, it contemplates this connecting "2 or more venues".

While it could be argued that a website address or other on-line site constitutes a "place" or "venue", the more orthodox view is that these terms imply a requirement for at least one physical location at which shareholders can attend in person if desired.

The Company's opinion is that, provided the virtual platform is sufficient to satisfy all other meeting requirements under the Corporations Act, it should not be automatically discounted on the basis of it being virtual-only. The Company proposes to make certain amendments to the Company's constitution to add further clarification on this issue, and in particular insert the following words at the end of rule 20(l) '*The meeting is to be taken to be held at the place determined by the chair of the general meeting as long as at least one of the members involved was at that place for the duration of the general meeting.*' (emphasis added)

B ORDINARY BUSINESS OF THE MEETING

4. CHANGES TO COMPANY AUDITOR

4.1 Background

In March 2021 the Company advised of its ongoing review of systems, processes and resources during the integration of HWG that are aimed at simplifying the business, increasing operational efficiencies and minimising the cost of doing business. Part of this process has included a review of the professional audit services required by the Company and, accordingly, the Company has recently conducted a tender process for audit services. A Request For Proposal (**RFP**) was sent to four professional audit firms, including Grant Thornton Audit Pty Ltd as the incumbent auditor.

The Company received submissions from the four professional audit firms and, following a thorough assessment and review, has also received a Notice of Intention to Remove Auditor (pursuant to section 329(1A) of the Corporations Act) from the Company Audit and Risk Committee. The Company has reviewed these submissions and proposes to seek shareholders' approval in respect of a new auditor as set out in Section 4.3 below.

4.2 Resolution 1 – Removal of Auditor

Under section 329(1A) of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given. It should be noted that under section 329(1A), if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

The Company hereby provides the notice of intention to Shareholders as Attachment 1 to this Notice and seeks Shareholder approval pursuant to section 329(1) of the Corporations Act to remove the auditor effective from the date of the Meeting.

4.3 Resolution 2 - Appointment of New Auditor

Under section 327D(1) of the Corporations Act and by way of a Notice of Nomination to appoint an auditor, RSM Corporate Australia Pty Ltd was nominated to be appointed as the Company's auditor.

If Grant Thornton is removed under Resolution 1, the Directors propose that RSM Corporate Australia Pty Ltd be appointed as the Company's auditor effective from the date of the Meeting. The Notice of Nomination of RSM Corporate Australia Pty Ltd as auditor of the Company is provided to Shareholders as Attachment 2 to this Notice of General Meeting. RSM Corporate Australia Pty Ltd has provided written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act, a copy of which is attached as Attachment 2 to this Notice of General Meeting.

Pursuant to section 327(D)(2) of the Corporations Act, the Company may at the general meeting, by special resolution immediately appoint a replacement auditor if a copy of the Notice of Nomination has been sent to the required persons under subsection 328B(3).

If Resolutions 1 and 2 are passed, the appointment of RSM Corporate Australia Pty Ltd as the Company's auditor will take effect at the close of this General Meeting.

4.4 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1 and 2.

5. CHANGE OF COMPANY NAME

5.1 Background to the Change of Name

TRUL has licensed certain trademarks (including, the brand name 'Toys"R"Us') (the **TRU Mark**) from TRUK, for use in Australia and New Zealand, pursuant to the TRU License Agreement with TRUK.

In April 2021, following the announcement in the USA of a change of ownership of TRUK and further discussions regarding the continuation and development of the relationship between TRUK and TRUL, TRUL and the Company have requested further changes to the TRU License Agreement.

Amendment (No.3) to License Agreement proposes to amend the TRU License Agreement as follows:

- (a) TRUK has authorised TRUL to sublicense the TRU Mark to the Company in order for it to be used as part of the Company's corporate name in the form of 'Toys"R"Us ANZ Limited';
- (b) in the event of the expiration or termination of the Amended License Agreement, the Company has agreed to promptly take all actions necessary to change its name and cease any use of the TRU Mark in the Company's corporate name within ninety (90) days of such expiration or termination;
- (c) HWPL and the Company agreed to provide updated indemnities to TRUK in respect of the Company's use of the TRU Mark; and
- (d) HWPL and the Company are required to enter into amended forms of guaranty.

The sublicense for the Company to be able to use the TRU Mark in its corporate name is seen as being a driver of further potential growth for the Group.

5.2 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

6. SHARE ISSUE TO TRUK

6.1 Background to the Issue of Consideration Shares (Resolution 4)

Resolution 4 is an ordinary resolution which seeks Shareholder approval for the issue of 2,380,852 Shares to TRUK for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, and is conditional on Resolution 3 being approved.

6.2 Approval not required under Listing Rule 7.1

Shareholder approval pursuant to Listing Rule 7.1 is not required for the issue of the Consideration Shares to TRUK, as approval is being obtained under Listing Rule 10.11 and Chapter 2E of the Corporations Act (Exception 14 of Listing Rule 7.2). Accordingly, as the issue of the Consideration Shares will be made pursuant to Exception 14 of Listing Rule 7.2, the issue of the Consideration Shares will not be included in calculating the Company's 15% rolling twelve-month placement capacity.

6.3 Listing Rule 10.11 and 10.13 regulatory Requirements

The Company is proposing to issue the Consideration Shares to TRUK, a related party of the Company under Listing Rule 10.11.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to a related party, unless it obtains approval of its shareholders. The issue of the Consideration Shares falls under Listing 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval for the issue of the Consideration Shares under, and for the purposes of, Listing Rule 10.11.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Consideration Shares. If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares and it will not be able to proceed with changing its name under Resolution 3.

Information required to be provided pursuant to Listing Rule 10.13:

Person to whom the Securities are to be issued, number of securities and class of securities	<p>The Consideration Shares will be issued to TRUK, which is a Related Party of the Company for the reasons set out in Section 6.4.</p> <p>The maximum number of Consideration Shares to be issued is 2,380,852.</p>
Issue Date	The Consideration Shares will be issued no later than 1 month after the date of the Meeting.
Issue Price	The Consideration Shares will be issued in consideration of TRUK consenting to the Company being granted a sublicense by TRUL to change its name in accordance with Section 5 above. The issue price of the Consideration Shares will be the VWAP for the Company's Shares during the seven (7) days on which trades have occurred before the issue date of those Shares.
Terms of Securities	The Consideration Shares will rank equally in all respects with the Company's existing Shares on issue.
Purpose of the Issue and use funds	<p>The purpose of the issue of Consideration Shares to TRUK is in consideration for TRUK consenting to the further changes to the TRU License Agreement pursuant to the terms of the Amendment (No.3) to License Agreement.</p> <p>No funds will be raised from the issue of the Consideration Shares to TRUK, as the Consideration Shares are being issued for no monetary consideration.</p>
Material terms of agreement	See Section 5 for further details of the Amendment (No.3) to License Agreement.
Voting exclusion	A voting exclusion statement applies to this item of business as set out in the Notice of Meeting.

6.4 Chapter 2E of the Corporations Act

As set out in Section 3.6, a Related Party of the Company includes any entity that controls (or is reasonably likely to control) the Company.

In exchange for consenting to further changes to the TRU License Agreement, including consent to use of the TRU Mark in the Company's corporate name, TRUK will receive the Consideration Shares.

As previously disclosed by the Company to Shareholders in the 2020 Notice of Annual General Meeting (**AGM Notice**), pursuant to the TRU License Agreement, TRUK has been granted, amongst other things, consultation and approval rights in relation to the appointment of any future Chief Executive Officer, Managing Director and Chair of the Company, which may give TRUK the ability to influence the governance structure of the Company going forward. As noted in the AGM Notice, under the Company's constitution, the Chair of the Board has a casting vote at Board meetings. That is, if there are four Directors and only two Directors vote in favour of a motion, the Chair will have the deciding vote. As TRUK has power to approve the appointment of two Directors to the Board (including the Chair), it will in turn have power to approve the appointment of the persons who control the decisions of the Board.

Whilst there is an exception to the requirement to obtain Shareholder approval if the Financial Benefit is given on arm's length terms (pursuant to section 210 of the Corporations Act), the Directors have determined given the nature of the proposed arrangements it is appropriate to seek Shareholder approval for the issue of the Consideration Shares for the purpose of Chapter 2E of the Corporations Act.

6.5 Chapter 2E of the Corporations Act Regulatory Requirements

For the reasons set out above, the issue of the Consideration Shares to TRUK may confer Financial Benefits on TRUK. The Company therefore seeks the approval of Shareholders in accordance with Chapter 2E of the Corporations Act. For this reason and for all other purposes the following information is provided to Shareholders

- (a) The Related Parties to whom the Financial Benefits are to be given
TRUK (or its nominees).
- (b) The nature of the Financial Benefits to be given
The issue of 2,380,852 Shares to TRUK (or its nominees).
- (c) Interest of Directors
The issue of the Consideration Shares will not have an effect on the interests of any directors of the Company.
- (d) Valuation
The VWAP for the Company's Shares during the seven (7) days on which trades have occurred before the issue date of those Shares will determine the theoretical value of the Shares.
- (e) Trading History
In the 12 months prior to the date of this Notice, the Company's trading history is as follows:

Description	Date	Closing Share Price
High	26 October 2020	\$ 0.155
Low	23 May 2020	\$ 0.022
Last	20 May 2021	\$ 0.081

(f) Dilutionary effect

If Resolution 4 is approved, and the Consideration Shares are issued to TRUK, the effect on the current issued capital of the Company will be as shown in the table below:

Table 1 – Existing Shares on Issue

Holder	Shares (Number)	Shares (%)
Louis Mittoni	291,205,818	34.42%
Jason Sourasis	108,871,985	12.87%
CS Third Nominees Pty Limited<HSBC Cust Nom Au Ltd 13 A/C>	61,175,259	7.23%
UBS Nominees Pty Ltd	44,916,266	5.31%
Theo Andriopoulos	41,257,508	4.88%
J P Morgan Nominees Australia Pty Limited	24,956,027	2.95%
Apes With Wings Pty Ltd <Salom Family 3 A/C>	24,825,000	2.93%
G Harvey Nominees Pty Ltd<Harvey 1995 Discretionary Ac>	22,113,602	2.61%
Citicorp Nominees Pty Limited	18,686,192	2.21%
National Nominees Limited	15,683,689	1.85%
Tru Kids Inc	1,223,092	0.14%
Other Holders	191,063,568	22.58%
Total	845,978,006	100.00%

Notes: Table based on issued capital as at the date of this Notice and assumes no Shares are issued.

Table 2 – Shares on issue on Completion of the Proposed Transactions

Holder	Shares (Number)	Shares (%)
Louis Mittoni	291,205,818	34.33%
Jason Sourasis	108,871,985	12.83%
CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C>	61,175,259	7.21%
UBS Nominees Pty Ltd	44,916,266	5.29%
Theo Andriopoulos	41,257,508	4.86%
J P Morgan Nominees Australia Pty Limited	24,956,027	2.94%
Apes With Wings Pty Ltd <Salom Family 3 A/C>	24,825,000	2.93%
G Harvey Nominees Pty Ltd <Harvey 1995 Discretionary Ac>	22,113,602	2.61%
Citicorp Nominees Pty Limited	18,686,192	2.20%
National Nominees Limited	15,683,689	1.85%
Tru Kids Inc	3,603,944	0.42%
Other Holders	191,063,568	22.52%
Total	848,358,858	100.00%

Notes: Table based on issued capital as at the date of this Notice and assumes no equity securities are issued (other than the Consideration Shares).

(g) Tax Consequences

The Company has significant carried forward tax losses that may be available to offset taxable income in future years if the Company can satisfy one of the loss recoupment tests, being either the continuity of ownership test (**COT**) or similar business test (**SBT**).

Broadly the COT is satisfied if the Company has the same persons with the same interests, holding more than 50% of the Company's voting power, rights to dividends and rights to capital distributions at all times during the test period (being the start of the loss year to the end of the income year in which the losses are utilised). As a listed entity, the Company is able to utilise the modified COT rules under Division 166 of the *Income Tax Assessment Act* 1997 (Cth). These rules provide that for direct stakes of less than 10%, there is no requirement to trace through to ultimate natural persons and are instead treated one single 'notional Shareholder'.

The Company has assessed that it currently satisfies the COT. Following issue of the shares to TRUK the Company will reassess if the COT remains satisfied. If this is not the case, the Company will need to satisfy the SBT for carried forward losses to remain available to offset any future taxable income.

SBT allows businesses to access losses following a change in ownership where its business, while not the same, is similar having regard to:

a) the extent to which the assets that are used in its current business to generate assessable income were also used in its former business to generate assessable income;

b) the extent to which the activities and operations from which its current business generated assessable income were also the activities and operations from which its former business generated assessable income;

c) the identity of its current business and the identity of its former business; and

d) the extent to which any changes to the former business resulted from the development or commercialisation of assets, products, processes, services or marketing or organisational methods of the former business.

- (h) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

Other than as set out in these Explanatory Notes, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to the Financial Benefits contemplated by Resolution 4.

6.6 Escrow of Consideration Shares

Pursuant to section 707(3) of the Corporations Act, without issuing a cleansing prospectus, the shares are not permitted to be on-sold by TRUK within 12 months of their issue date. The quantum of Consideration Shares to be issued to TRUK is too small to justify the burdensome and costly exercise of the Company preparing and issuing a cleansing prospectus under section 708A(11) of the Corporations Act. The Company is of the opinion that a voluntary escrow arrangement for the issue of the Consideration Shares is necessary to prevent the inadvertent contravention of section 707(3) of the Corporations Act.

TRUK has agreed to enter into an escrow deed with respect to the Consideration Shares. The share escrow deed prohibits TRUK from dealing with the Consideration Shares issued to it for a period of 12 months from the date of issue (**Escrow Period**). During the Escrow Period, the Consideration Shares will be held by the Company in its Issuer Sponsored Sub-Register.

During the Escrow Period, TRUK is entitled to exercise all rights (voting) and benefits (dividends) attaching to the Consideration Shares, but may not sell/transfer, or agree to sell/transfer, the Shares until they are released from escrow by the Company.

There are limited exceptions to the restrictions on dealing in the Consideration Shares, including where a takeover bid is made for the Company or the Company proposes a scheme of arrangement under the Corporations Act involving the acquisition of a majority of the Shares of the Company.

6.7 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

7. CHANGES TO THE COMPANY CONSTITUTION

7.1 Background to Changes to Company Constitution (Resolution 5)

The Directors propose to make a small number of potential improvements to the Company's constitution, including:

- (a) streamlining administrative processes relating to the annual retirement and re-election of Directors, such that where the total number of Directors after excluding any managing director(s) and a Director appointed during the year to fill a casual vacancy is 4 or less, then 1 of the remaining Directors must retire from office or, if the number is more than 4, one third of those Directors (to the nearest whole number) must retire from office and being eligible may stand for re-election;
- (b) allowing the holding of virtual or hybrid meetings of shareholders in accordance with relevant legislation including the Corporations Act;
- (c) amending Rule 78 of the Company's constitution to bring the provisions of this rule in compliance with the ASX Listing Rules;
- (d) correcting several cross referencing errors;
- (e) replacing term "Chairman" with the gender neutral term of "Chair"; and
- (f) amending and/or updating a number of definitions to comply with updated legislation and legislative requirements.

Section 136 of the Corporations Act provides that a company may modify its constitution, or a provision of its constitution, by special resolution. The Company is taking the opportunity of the Meeting of Shareholders to propose a number of changes to the Company's constitution that will be beneficial to the Company in the future, as set out above.

7.2 Amendment 1 – Definitions

- (a) Law
 - (i) The definition of 'Law' is deleted from Rule 1.1 of the Company constitution; and
 - (ii) all references to 'Law' in the Constitution are deleted and replaced with the term 'Corporations Act'.
- (b) The Following definition of 'Corporations Act' is inserted in Rule 1.1 of the Company Constitution between the definitions of 'business day' and 'Exchange':

'Corporations Act means the Corporations Act 2001 (Cth)'

- (c) The Following definition of 'Listed Company' is inserted in Rule 1.1 of the Company Constitution between the definitions of 'Exchange' and 'Listing Rules':

'Listed Company means a company admitted to, and not removed from, the official list of entities of the Exchange' (emphasis added)

- (d) The definition of 'Listing Rules' is deleted and replaced as follows:

'Listing Rules means the Official Listing Rules of the Exchange (as varied or waived by a body with power to do so) as they apply to the company' (emphasis added)

7.3

Amendment 2 – Insertions, deletions and amendments

- (a) After Rule 1.2 and before Rule 2, insert a new rule numbered 1.3 with the sub-heading 'Replaceable rules excluded' containing the following:
- 'Those provisions of the Corporations Act designated as replaceable rules do not apply to the company except so far as they are repeated in this constitution.'* (emphasis added)
- (b) After the new Rule 1.3 and before Rule 2, insert a new rule numbered 1.4 with the sub-heading 'Paramount effect of Listing Rules' containing the following:
- (a) *While the company remains a Listed Entity, the following provisions apply:*
- (1) *despite anything contained in this constitution, if the Listing Rules prohibit an act being done, the act must not be done;*
 - (2) *nothing contained in this constitution prevents an act being done that the Listing Rules require to be done;*
 - (3) *if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);*
 - (4) *if the Listing Rules require this constitution to contain a provision and it does not contain such a provision, this constitution must be treated as containing that provision;*
 - (5) *if the Listing Rules require this constitution not to contain a provision and it contains such a provision, this constitution must be treated as not containing that provision; and*
 - (6) *if any provision of this constitution is or becomes inconsistent with the Listing Rules, this constitution must be treated as not containing that provision to the extent of the inconsistency.*
- (b) *Where any rule, or provision in any rule, is expressed to be subject to the Listing Rules or contains words to the same effect, the rule or provision is only subject to the provisions of the Listing Rules while the company remains a Listed Entity.'* (emphasis added)
- (c) Table A and other rules do not apply
- Rule 4 is deleted as Rule 1.3 was inserted, and all subsequent rule numbers are amended to account for the deletion.
- (d) Cross referencing
- All rule cross-referencing throughout the Constitution is amended to reflect the updated numbering of the rules.
- (e) Chairman
- The term 'Chairman' or 'chairman' is deleted and replaced throughout the Constitution with the term 'Chair' and 'chair' respectively.
- (f) In Rule 74, after the words 'telex or facsimile or' insert the following words:
- 'email or'* (emphasis added)
- (g) Subject to Resolution 3 being passed, all references to 'Funtastic' throughout the Constitution is deleted and replaced with 'Toys"R"Us ANZ Limited'.

7.4 Amendment 4 - Hybrid and Virtual Meetings

(a) Background to Hybrid and Virtual Meetings

Given the advancements in technology in recent years, the Company has considered ways to maximise Shareholder participation and minimise the time and cost involved in holding general meetings, including the Company's AGM.

Virtual general meetings are meetings whereby shareholders are given the opportunity to attend the general meeting using an online platform which allows shareholders to vote, ask questions and participate electronically in real-time, rather than attend the meeting at a physical venue.

Hybrid general meetings share characteristics of both a traditional and a virtual meeting, allowing shareholders to opt between attending the meeting in person at a physical venue and attending the meeting online.

The company's virtual meeting platform is Zoom which is a cloud-based video communications app that allows you to set up virtual video and audio conferencing, webinars, live chats, screen-sharing, and other collaborative capabilities.

(b) After Rule 24(b) but before Rule 25, insert a new rule number 24(c) containing the following:

'The company may, solely or partly by technology, hold a meeting of its members at 2 or more venues simultaneously using any technology that, in the opinion of the directors, gives the members as a whole a reasonable opportunity to participate.' (emphasis added)

(c) Rule 29(c) is deleted and replaced as follows:

'A person present, whether at the main place of the meeting or by audio visual link, at a general meeting at the request of the directors or the chair is entitled to speak at the meeting if the chair allows.' (emphasis added)

(d) At the end of Rule 29(l) the following words are inserted:

'The meeting is to be taken to be held at the place determined by the chair of the general meeting as long as at least one of the members involved was at that place for the duration of the general meeting.' (emphasis added)

(e) After Rule 29(l), insert a new Rule 29(m) as follows:

'If, before or during the meeting, any technical difficulty occurs where one or more of the matters in rule 30(l) are not satisfied, the chair may:

(1) adjourn the meeting until the difficulty is remedied; or

(2) continue to hold the meeting in the main place (and any other place which is linked under rule 30(l) and transact business, and no member may object to the meeting being held or continuing' (emphasis added)

(f) The current Rule '29(m)' is renumbered as '29(n)'.

(g) In Rule 41(b), after the words 'The meeting', the following words are inserted:

',' held solely or partly by technology,' (emphasis added)

7.5 Amendment 5 – Restricted Securities

(a) Background to Amendment 5

Listing Rule 9.1(a) requires an ASX listed entity to include in its constitution the provisions set out in ASX Listing Rule 15.12. ASX Listing Rule 15.12 prescribes the required provisions for a “Restricted Securities” clause in the constitution of a listed entity. Whilst the Company’s constitution includes the majority of the provisions required by Listing Rule 15.12, further amendments are required to fully satisfy the requirements of Listing Rule 15.12. Accordingly, it is proposed that Rule 78 of the Company’s constitution be amended to include all required provisions under Listing Rule 15.12.

(b) Rule 78 is deleted and replaced as follows:

‘Despite any other provision in this constitution, if at any time any of the share capital of the company is classified by the Exchange as “restricted securities” then despite any other provision of this constitution:

- (a) the holder of the restricted securities must not dispose of, or agree to dispose of, the restricted securities during the escrow period applicable to those securities, except as permitted by the Listing Rules or the Exchange;*
- (b) if the restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the company’s issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those restricted securities;*
- (c) the company must refuse to acknowledge a disposal (including registering a transfer) of the restricted securities during the escrow period except as permitted by the Listing Rules or the Exchange;*
- (d) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those restricted securities except as permitted by the Listing Rule or Exchange; and*
- (e) if a holder of restricted securities breaches a restriction deed or a provision of this constitution restricting a disposal of those securities the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.’ (emphasis added)*

7.6 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

GLOSSARY

In this Notice of Meeting and the Explanatory Notes, the following terms have the following meaning unless the context or subject matter otherwise requires:

Amended License Agreement	means the TRU License Agreement as further amended by Amendment (No.3) to License Agreement.
Amendment (No.3) to License Agreement	means the document titled Amendment No. 3 to License Agreement entered into by TRUK, TRUL, HWPL, the Company and MPL dated 14 May 2021.
Associate	has the meaning given to that term in the ASX Listing Rules or in the Corporations Act, as the context requires.
ASX	means ASX Limited (ABN 98 008 624 691) or the securities market it operates, as the context requires.
ASX Listing Rules or Listing Rules	means the listing rules of the ASX, as amended from time to time.
Board	means the board of Directors of the Company.
Chair	means the chair of the Meeting.
Chapter 2E	means Chapter 2E of the Corporations Act.
Company	means Funtastic Limited (ABN 94 063 886 199).
Consideration Shares	means the 2,380,852 Shares to be issued to TRUK.
control	has the meaning given to that term in section 50AA the Corporations Act.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
equity securities	has the meaning given to that term in the Listing Rules.
Explanatory Notes	means the explanatory notes accompanying the Notice.
Financial Benefit	has the meaning given to that term in Chapter 2E of the Corporations Act.
Group	means the Company and its Subsidiaries (as defined in the Corporations Act).
HWG	means HWPL, MPL and TRUL.
HWPL	means Hobby Warehouse Pty Ltd (ABN 89 148 094 517).
Meeting	means the general meeting of the Company to be held at the time and place specified in this Notice of Meeting.
MPL	means Mittoni Pty Ltd (ABN 88 114 705 038).
Notice of General Meeting or Notice	means this notice calling the general meeting of Shareholders, of which the Explanatory Notes forms a part.
Proposed Transactions	means the change of the Company name and the issue of the Consideration Shares to TRUK, as contemplated in sections 5 and 6 of the Explanatory Notes.

Proxy Form		means the proxy form accompanying the Notice (and includes an online proxy form).
Related Party		has the meaning given to that term in the Listing Rules or Chapter 2E of the Corporations Act (as the context requires).
Relevant Interest		has the meaning given to that term in section 608(1) of the Corporations Act.
Resolutions		means the resolutions to be considered by Shareholders at the Meeting, as set out in the Notice.
Section		means a section of the Explanatory Notes.
Share		means a fully paid ordinary share in the capital of the Company.
Shareholder		means a holder of one or more Shares in the Company.
TRU Agreement	License	<p>means the Trademark License Agreement entered into by TRUK, TRUL and HWPL dated 30 May 2019 as amended by:</p> <p>(a) the document titled Amendment No. 1 to License Agreement entered into by TRUK, TRUL and HWPL dated 20 May 2020; and</p> <p>(b) the document titled Amendment No. 2 to License Agreement entered into by TRUK, TRUL, HWPL, the Company and MPL dated 16 October 2020.</p>
TRUK		means TRU Kids, Inc.
TRUL		means Toys R Us Licensee Pty Ltd (ABN 57 632 418 494), a wholly owned subsidiary of Funtastic Limited.
TRU Mark		has the meaning given to that term in Section 5.1.
Voting Power		has the meaning given to that term in section 610(1) of the Corporations Act.
VWAP		means the volume weighted average price of the Shares of the Company.

ATTACHMENT 1 – NOTICE OF INTENTION TO REMOVE AUDITOR

For personal use only

Notice of Intention to Remove Auditor

Pursuant to section 329(1a) of the *Corporations Act 2001* (Cth)

23rd April 2021

Mr Patrick Raper
Company Secretary
Funtastic Limited
Level 2, 315 Ferntree Gully Road
Mount Waverley, Victoria 3149
(the **Company**)

Dear Patrick,

I, John Tripodi, a director of the Company, hereby give notice that I request that the Company convene a general meeting on a date at least 2 months after the service of this notice, to consider and, if thought fit, pass the resolution that Grant Thornton be removed as auditor of the Company, pursuant to section 329(1) of the Corporations Act.

I would be grateful if you would confirm receipt of this notice by signing the acknowledgement below and returning a copy to me.



John Tripodi
Director
Funtastic Limited

Acknowledged as received by the Company



Patrick Raper
Secretary
Funtastic Limited
Date: 23 April 2021

For personal use only



12 May 2021

The Directors
Funtastic Limited
315 Ferntree Gully Road
Mount Waverley
VIC 3149

Dear Sirs

Notice of Nomination of Auditor

I hereby nominate RSM Corporate Australia Pty Ltd being qualified to act as auditor of the Company and having consented to act as the auditor of the Company, to be appointed as the auditor of the Company effective from the date of the General Meeting of Shareholders called to vote on their appointment.

Your sincerely

John Tripodi
Chair of the Audit and Risk Committee
Funtastic Limited

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

12 May 2021

The Directors
C/- Mr Howard Abbey
Chief Financial Officer
Funtastic Limited
Level 2/ 307 Ferntree Gully Road
MOUNT WAVERLEY VIC 3149

Via email: howard.abbey@funtastic.com.au

Dear Directors

CONSENT TO APPOINTMENT AS AUDITOR – FUNTASTIC LIMITED

In accordance with section 328A of the *Corporations Act 2001* RSM Australia Partners hereby consent to our appointment as auditor of Funtastic Limited.

This consent will remain in force until cancelled in writing.

Please contact us if further information or clarification is required.

Yours faithfully



RSM AUSTRALIA PARTNERS



J S CROALL
Partner

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

[HolderNumber]

Holder Number:
[HolderNumber]

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Your proxy voting instruction must be received by **11.00am (AEST) on Monday, 21 June 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications dispatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WECHAT:

<https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

