



## Notice of Annual General Meeting

### Toys"R"Us ANZ Limited ACN 063 886 199

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Date: Monday 13 December 2021

Time: 11:00am (Melbourne time)

Place: This Annual 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\\_GHB85-UDSmW-HR82Xfru4Q](https://us02web.zoom.us/webinar/register/WN_GHB85-UDSmW-HR82Xfru4Q)

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 in full.

This Notice does 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 Annual General Meeting

Notice is hereby given that the Annual General Meeting (**Meeting**) of Shareholders of Toys"R"Us ANZ Limited ACN 063 886 199 (**Company**) will be held virtually on an online platform at 11:00am (Melbourne time) on Monday, 13 December 2021 to consider and vote on the Resolutions set out below.

The Explanatory 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 Explanatory Notes are defined in the Glossary on page 23 of the Explanatory 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\\_GHB85-UDSmW-HR82Xfru4Q](https://us02web.zoom.us/webinar/register/WN_GHB85-UDSmW-HR82Xfru4Q)

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 [AGM@toysrus.com.au](mailto:AGM@toysrus.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

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## Overview

### Item 1 – Financial Statements and Reports

### Item 2 – Remuneration Report

Resolution 1: Approval of the Remuneration Report

### Item 3 – Election and Re-election of Directors

Resolution 2: Election of Director, Kevin Moore

Resolution 3: Re-election of Director, Nicki Anderson

### Item 4 – Grant of Share Rights to Directors

Resolution 4: Approval of the grant of Share Rights to Ms Anderson

Resolution 5: Approval of the grant of Share Rights to Mr Tripodi

### Item 5 – Additional 10% Placement Capacity

Resolution 6: Approval of Additional 10% Placement Capacity

### Item 6 – Toys"R"Us UK License

Resolution 7: Approval of issue of ordinary shares to a related party

## Ordinary Business

### Item 1 – Financial Statements and Reports

To receive and consider the following reports for the year ending 31 July 2021:

- (a) the financial statements;
- (b) the Directors' report; and
- (c) the auditor's report.

Further information in relation to Item 1 is set out in Section 3 of the Explanatory Notes.

### Item 2 – Remuneration Report

#### **Resolution 1: Approval of the Remuneration Report**

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

*'That, in accordance with section 250R of the Corporations Act, the Company adopts the Remuneration Report as set out in the Directors' report of the 2021 Annual Report, for the year ending 31 July 2021.'*

A vote on this Resolution is advisory only and will not bind the Company or the Directors.

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

#### **Voting Exclusion Statement for Resolution 1**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a member of the Company's Key Management Personnel and their closely related parties. However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- the Chair as proxy 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 even though this Resolution is connected with the remuneration of the Company's Key Management Personnel.

### Item 3 – Election and Re-election of Directors

#### **Resolution 2: Election of Director, Mr Kevin Moore**

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

*"That Mr Kevin Moore, who was appointed by the other Directors on 26 November 2020 as a Director and whose directorship expires on the next annual general meeting following his appointment, being eligible and offering himself for election, is elected as a Director in accordance with Rule 34 of the Company's Constitution."*

Further information in relation to Resolution 2 is set out in Section 5 of the Explanatory Notes.

### **Resolution 3: Re-election of Director, Ms Nicki Anderson**

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

*"That Ms Nicki Anderson, who was elected as a Director since 25 October 2018 retires, and being eligible and offering herself for re-election, is re-elected as a Director in accordance with Rule 34 of the Company's Constitution."*

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

## **Special Business**

### **Item 4 – Grant of Share Rights to Directors**

#### **Resolution 4: Approval of the grant of Share Rights to Ms Anderson**

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

*'That, subject to Resolution 3 being passed, for the purposes of Listing Rule 10.14, and for the purposes of Exception 14 of Listing Rule 7.2, and for all other purposes, approval is given for the issue of 500,000 Service Rights (and any subsequent issue of Shares upon vesting of those Service Rights) to Ms Anderson (or her nominee), under the Company's Employee Incentive Plan on the terms set out in the Explanatory Notes.'*

Resolution 4 is subject to the passing of Resolution 3.

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 or on behalf of:

- Ms Anderson (or her nominee) and her Associates; and
- any other person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan and any Associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this 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 to vote on this Resolution as the Chair decides; or
- 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 5: Approval of the grant of Share Rights to Mr Tripodi**

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

*“That, for the purposes of Listing Rule 10.14, and for the purposes of Exception 14 of Listing Rule 7.2, and for all other purposes, approval is given for the issue of 500,000 Service Rights (and any subsequent issue of Shares upon vesting of those Service Rights) to Mr Tripodi (or his nominee), under the Company’s Employee Incentive Plan on the terms set out in the Explanatory Notes.*

Further information in relation to Resolution 5 is set out in Section 6 of the Explanatory Notes.

#### **Voting exclusion statement for Resolution 5**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Mr Tripodi (or his nominee) and his Associates; and
- any other person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan and any Associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this 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 to vote on this Resolution as the Chair decides; or
- 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Item 5 – Additional 10% Placement Capacity**

#### **Resolution 6: Approval of Additional 10% Placement Capacity**

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

*‘That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to have the additional capacity to issue equity securities comprising up to 10% of the Company’s share capital calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 on the terms and conditions set out in the Explanatory Notes.’*

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

#### **Voting Exclusion statement for Resolution 6**

At the time of dispatching this Notice, the Company is not proposing to make an issue of equity securities under ASX Listing Rule 7.1A.2. However, if at the time the approval is sought the Company does propose to make an issue of equity securities under ASX Listing Rule 7.1A.2, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain

a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities), or any of their Associates.

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 this Resolution, in accordance with the directions given to the proxy or attorney to vote on this 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 to vote on this Resolution as the Chair decides; or
- 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Item 6 – Proposed Transaction**

### **Resolution 7: Approval of issue of Shares to TRU Kids, Inc. (TRUK)**

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

*‘That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 13,394,216 Shares to induce TRUK as licensor to enter into the UK License Agreement and as additional consideration for TRUK’s grant of the trademark license to the UK Licensee in respect of the use of the Toys “R” Us and Babies “R” Us brands in the United Kingdom pursuant to the UK License Agreement and consideration for TRUK to consent to amend the ANZ License Agreement to address consequential amendments required to the document as a result of the entering into the UK License Agreement.’*

Further information in relation to Resolution 7 is set out in Section 8 of the Explanatory Notes.

### **Voting exclusion statement for Resolution 7**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of TRUK, (or its nominee) and any other person who will participate in or obtain a material benefit from the proposed issue and any of their Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this 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 to vote on this Resolution as the Chair decides; or
- 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# Voting and Entitlements

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## 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 Saturday, 11 December 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 Saturday, 11 December 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 Saturday, 11 December 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:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> 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.
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	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

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### *Remuneration Report*

The Directors unanimously recommend the approval of Resolution 1 and encourage Shareholders to vote in favour of Resolution 1.

### *Re-Election of Directors – Mr Moore and Ms Anderson*

For the reasons given in Section 5 of the Explanatory Notes, the Directors unanimously recommend the approval of Resolutions 2 and 3 and encourage Shareholders to vote in favour of those Resolutions, other than Mr Moore and Ms Anderson in respect of their respective appointments who give no recommendation on the particular Resolution applying to them.

### *Grant of Share Rights to Directors – Ms Anderson and Mr Tripodi*

For the reasons given in Section 6 of the Explanatory Notes, the Directors unanimously recommend the approval of Resolutions 4 and 5 and encourage Shareholders to vote in favour of Resolutions 4 and 5, other than Ms Anderson and Mr Tripodi in respect of their respective grants, who give no recommendation on the particular Resolution applying to them.

### *Additional 10% Placement Capacity*

For the reasons given in Section 7 of the Explanatory Notes, the Directors unanimously recommend the approval of Resolution 6 and encourage Shareholders to vote in favour of Resolution 6.

### *Toys"R"Us UK License Agreement*

For the reasons given in Section 8 of the Explanatory Notes, the Directors unanimously recommend the approval of Resolution 7 and encourage Shareholders to vote in favour of Resolution 7.

The Board advises that the Directors, where entitled to vote, each intend to vote all Shares held or controlled by them in favour of the Resolutions in respect of which they are providing a recommendation as noted above.

By Order of the Board.



Patrick Raper

**Company Secretary**

12 November 2021

# Explanatory Notes

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## 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 Monday, 13 December 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 relates to the Shareholder approval of the Company's Remuneration Report. A vote on Resolution 1 is advisory only and will not bind the Company or the Directors.

Resolutions 2 and 3 seek Shareholder approval for the election of Mr Moore and re-election of Ms Anderson as Directors of the Company. Resolutions 2 and 3 are not conditional on the approval of any other Resolutions.

Resolutions 4 and 5 relate to the proposed issue of Service Rights under the Plan to two of the Directors of the Company, Ms Anderson and Mr Tripodi. Resolution 4 is conditional on the approval of Resolution 3.

Resolution 6 seeks Shareholder approval by way of a special resolution for the Company to have the ability to issue equity securities under the 10% Placement Capacity. It is not conditional on the approval of any other Resolutions.

Resolution 7 relates to the proposed issue of shares to TRUK to induce TRUK as licensor to enter into the UK License Agreement and as additional consideration for TRUK's grant of the trademark license to the UK Licensee in respect of the Toys"R"Us and Babies"R"Us brands in the United Kingdom pursuant to the UK License Agreement and consideration for TRUK to consent to amend the ANZ License Agreement to address consequential amendments required to the document as a result of the entering into the UK License Agreement. The UK License Agreement is conditional on a number of conditions precedent being satisfied in the Share Subscription Deed (including, obtaining approval of the Shareholders to the proposed issue of shares to TRUK).

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.

#### 1.2 Interpretation

All capitalised terms used in these Explanatory Notes have the meanings set out in the Glossary located on page 25 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.

#### 1.3 Voting Exclusion Statements

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

## **2. BACKGROUND AND APPLICABLE LISTING RULES AND PROVISIONS OF THE CORPORATIONS ACT**

### **2.1 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 2 sets out a summary of the provisions that are referred to in the Notice and these Explanatory Notes.

### **2.2 Listing Rule 7.1 – issues exceeding 15% of capital**

Listing Rule 7.1 provides that without the approval of the holders its ordinary securities, an entity must not issue or agree to issue equity securities, which amount to more than 15% of its issued share capital in any rolling 12-month period. However, Listing Rule 7.2 sets out a number of exceptions to Listing Rule 7.1.

Any issue of Shares that is approved by Shareholders at the 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.

### **2.3 Listing Rule 7.1A – additional 10% of capital**

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue equity securities of up to an additional 10% of its issued capital over a period of up to 12 months after its annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the capacity to issue 15% of its issued capital over a 12-month period without shareholder approval under Listing Rule 7.1.

The Company is an eligible entity and is seeking Shareholder approval at the Meeting for the additional 10% Placement Capacity under Listing Rule 7.1A.

### **2.4 Listing Rule 7.2 – Exceptions 13 and 14 to Listing Rules 7.1 and 7.1A**

Exception 13 of Listing Rule 7.2 allows a company to issue equity securities without specific shareholder approval and without reducing the 15% capacity under Listing Rule 7.1 or the 10% Placement Capacity under Listing Rule 7.1A, where shareholders have approved the issue of equity securities under an employee incentive scheme (like the Plan) as an exception to Listing Rules 7.1 and 7.1A, within three years prior to the date of issue of the relevant equity securities (**Exception 13**). Shareholders approved this resolution at the 2020 Annual General Meeting which means that shareholder approval is not required to be sought pursuant to Exception 13 of Listing Rule 7.2. however shareholder approval is still required to be sought pursuant Listing Rules 10.14.

Exception 14 of Listing Rule 7.2 allows a company to issue equity securities without specific shareholder approval and without reducing the 15% capacity under Listing Rule 7.1 or the 10% Placement Capacity under Listing Rule 7.1A, where shareholders have approved the issue of equity securities under Listing Rule 10.11 or 10.14.

### **2.5 Listing Rules 10.11 and 10.14**

#### **Listing Rule 10.11 – Approval required for certain issues of securities**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, an entity must not issue or agree to issue equity securities (which includes options to acquire shares and share rights and share appreciation rights) to any of the following persons without the approval of the holders of its ordinary securities:

- (a) a related party.
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity.
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity (in the case of a trust, to the board of the responsible entity of the trust) pursuant to a relevant agreement which gives them a right or expectation to do so.

Pursuant to Listing Rule 19, 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.

The proposed issue of securities falls within Listing Rules 10.11.1 above, as the proposed recipients of the securities, Ms Anderson and Mr Tripodi, are Directors and are therefore Related Parties of the Company. One of the exceptions to Listing Rule 10.11 (Exception 8) is where the relevant equity securities are issued with Shareholder approval under Listing Rule 10.14.

#### **Listing Rule 10.14 – Approval required to acquire securities under an employee incentive scheme**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities (which includes options to acquire shares and share rights and share appreciation rights) under an employee incentive scheme (for eg, the Plan) without the approval of the holders of its ordinary securities.

- (a) a director of the entity
- (b) an associate of a person referred to in paragraph (a).
- (c) a person whose relationship with the entity or a person referred to in paragraphs (a) or (b) is such that, in ASX's opinion, the acquisition should be approved by security holders.

Ms Anderson and Mr Tripodi, as Directors of the Company are Related Parties of the Company and therefore Shareholder approval is required to permit the issue of the Service Rights to Ms Anderson and Mr Tripodi as Related Parties of the Company on the terms in Resolutions 4 and 5 (as applicable).

In accordance with Listing Rule 7.2 (Exception 14), if approval for the issue of the Service Rights to Ms Anderson and Mr Tripodi is given under Listing Rule 10.14, separate approval is not required under Listing Rule 7.1. Therefore, the issue of the Service Rights will fall under an exemption to, and will not be included in, the 15% calculation of the Company's rolling 12 month placement capacity pursuant to ASX Listing Rule 7.1.

## **2.6**

#### **Listing Rule 10.1 – approval required for certain acquisitions and disposals**

Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a Substantial Asset from, or disposes of a Substantial Asset to, amongst other persons:

- (a) a Related Party (see Section 1.1);
- (b) a Substantial (10%+) Holder of the entity; or
- (c) an Associate of a substantial holder of the entity,

without the prior approval of shareholders.

For the purposes of Listing Rule 10.1:

- (a) **(Substantial Asset)** an asset is a Substantial Asset if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules; and

- (b) **(Substantial (10%+) Holder)** a person or entity is a Substantial (10%+) Holder if it has Voting Power (either directly or through its Associates), or had Voting Power at any time in the six (6) months before the transaction, in at least 10% of the total votes attaching to the voting shares of the entity.

## 2.7 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.

## **B. ORDINARY BUSINESS**

### **3. FINANCIAL STATEMENTS AND REPORTS**

The Corporations Act requires the Company's financial report (which includes the financial statements and Directors' declaration), the Directors' report and the auditor's report, to be laid before the Meeting. However, there is no requirement either in the Corporations Act or the Company's constitution for Shareholders to approve the financial report, the Directors' report or the auditor's report.

The financial report, the Directors' report and the auditor's report each relate to the Company's financial year ending 31 July 2021. These reports will be available from the Company's website at [www.toysrus.com.au](http://www.toysrus.com.au).

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports, and on the business and operations of the Company.

Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, RSM Australia Partners (**RSM**), questions about the auditor's report, the conduct of its audit of the Company for the financial year ending 31 July 2021, the preparation and content of the auditor's report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of RSM in relation to its conduct of the audit.

### **4. RESOLUTION 1 – APPROVAL OF REMUNERATION REPORT**

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report is included in the Directors' report in the Company's Annual Report for 2021. It is available from the Company's website at <https://corporate.funtastic.com.au/investors/asx-announcements/>.

The Remuneration Report:

- (a) describes the policies behind, and structure of, the remuneration arrangements of the Company and the link between remuneration and the Company's performance;
- (b) sets out the remuneration arrangements in place for each Director and for specified senior executives of the Company; and
- (c) explains the difference between the basis for remunerating non-executive Directors and executives, including executive Directors.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders will be given the opportunity to ask questions and to make comments on the Remuneration Report at the Meeting.

### **5. RESOLUTIONS 2 AND 3 – ELECTION OF MR KEVIN MOORE AND RE-ELECTION OF MS ANDERSON**

The Company is seeking Shareholder approval under Resolutions 2 and 3 by ordinary resolution for the election of Mr Kevin Moore and the re-election of Ms Nicki Anderson as Directors of the Company.

#### **5.1 Background**

Mr Moore was appointed a Director of the Company in accordance with Rule 34(a) of the Company's Constitution, following the acquisition of HWG in November 2020 as approved by shareholders at the 2020 AGM of the Company.

Rule 34(b) of the Company's Constitution provides that Directors appointed under Clause 34(a) hold office only until the next annual general meeting of the Company.

Rule 34(c) of the Company's constitution requires that at the 2021 annual general meeting of the Company, one (determined in accordance with the definitions in Rule 34(c)) Director of the Company should retire from office and may be nominated for re-election to the Board at the 2021 annual general meeting.

Being eligible, Mr Moore offers himself for election and Ms Anderson offers herself for re-election in accordance with Rule 34(g) of the Company's constitution that provides that if a Director retires, or their directorship comes to an end, at the annual general meeting, the Company may, by ordinary resolution elect or re-elect (as applicable) the former Director to fill the vacated office.

The qualifications and experience of Mr Moore and Ms Anderson are set out in the following paragraphs.

## **5.2 Mr Kevin Moore – Qualifications, experience and other material directorships**

Mr Moore (FAICD, MCIM) was appointed to the Board in November 2020 and was elected Chair of the Board. He is a member of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

Mr Moore has multinational board and governance experience, specialising in digital marketing, and is a growth director with a focus on \$10 to \$100 million businesses.

He has a corporate career with director level marketing and general management experience across 30 countries, with success in launching and growing Australian and Global brands.

His private company career saw him build a small technology based retail marketing business into the sector leader with 2,500 team members in Australia and New Zealand, and clients that include Apple, Amazon, Bunnings, Coles and Woolworths.

Current and former directorships of Australian ASX listed companies include Raiz Invest Limited (ASX:RZI) and InvestSmart Limited (ASX:INV).

## **5.3 Ms Nicki Anderson – Qualifications, experience and other material directorships**

Ms Nicki Anderson (B Bus, EMBA, GAICD) was appointed to the position of Independent Non-Executive Director of the Company on 25 October 2018. Ms Anderson is chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

Ms Anderson is an accomplished leader and director with deep experience in strategy, sales, marketing, licensing and innovation within branded food, beverage and consumer goods businesses both in Australia and internationally (including Coca Cola Amatil, Cadbury Schweppes, Nestle and Kraft).

Ms Anderson has held senior positions in marketing and innovation within world class fast-moving consumer goods (FMCG) companies and was most recently a managing director within the Blueprint Group concentrating on sales, marketing and merchandising in the retail and pharmaceutical sales channels.

Ms Anderson has an Executive Master of Business Administration from the Australian Graduate School of Management, a Bachelor of Business and is a graduate of the Australian Institute of Company Directors.

Ms Anderson is currently a Director of Mrs Mac's Limited, Australia Made Campaign Limited, Prostate Cancer Foundation of Australia and ASX listed Select Harvests Limited and Graincorp Limited. Ms Anderson is a Member and Former Chair of the Monash University Advisory Board for the marketing faculty, Chair of the Remuneration & Nomination Committee for Mrs Mac's Limited & the Company, and Member of the Remuneration Committee for Select Harvests Limited and Graincorp Limited. Ms Anderson is also a member of the Board Safety, Health and Environment Committee for Graincorp Limited.

## **5.4 Board Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 2 and 3.



## C. SPECIAL BUSINESS

### 6. RESOLUTIONS 4 AND 5 – APPROVAL OF THE ISSUE OF SHARE RIGHTS

#### 6.1 General

Resolutions 4 and 5 are ordinary resolutions that seek Shareholder approval for the purposes of Listing Rule 10.14, and for all other purposes, for the grant of Service Rights (including the issue of Shares on the vesting of those Service Rights) to two Non-Executive Directors of the Company, Ms Anderson and Mr Tripodi, on the terms set out below.

#### 6.2 Reason why Shareholder approval is being sought: Listing Rule 10.14

Listing Rule 10.14 requires the Company to obtain Shareholder approval for the issue of equity securities, including Share Rights, to Directors of the Company under the Plan.

The Board has considered the application of Chapter 2E of the Corporations Act to the proposed grant of Share Rights to Ms Anderson and Mr Tripodi and considers that for the purposes of the exception contained in section 211(1) of the Corporation Act, the Financial Benefit to be given by the grant of the Share Rights constitutes reasonable remuneration to each of Ms Anderson and Mr Tripodi, given the circumstances of the Company and their respective roles and responsibilities at the Company.

Therefore, the Company is not seeking Shareholder approval under Chapter 2E, in addition to the approval being sought under Listing Rule 10.14.

#### 6.3 Background to Resolutions 4 and 5

At the 2020 AGM of the Company, Shareholders approved the issue of three tranches of Share Appreciation Rights (**SARs**), each to Ms Anderson and Mr Tripodi. Unfortunately, there were several errors in relation to the number and terms of the proposed grants of SARs that were approved. To correct those errors and to generate the intended offers it is now proposed that the Company will now grant Service Rights to Ms Anderson and Mr Tripodi which will form part of the remuneration for FY20/21, FY21/22 and FY22/23 in lieu of an annual cash payment of \$30,000. Further, the two tranches of SARs that have not been granted will not be granted and the minimal value that was realised from the tranche of SARs that was granted will be taken into account by the Board when considering any future increase in cash fees for these two non-executive directors.

A Service Right is an entitlement to be issued a fully paid ordinary share in the Company when validly exercised after vesting. The grant of Service Rights to Ms Anderson and Mr Tripodi will enable the Company to keep cash payments to a minimum and to provide remuneration which are linked to the performance of the Company.

The Plan enables the Company to issue Service Rights to non-executive Directors of the Company in lieu of other forms of remuneration on such terms determined by the Board from time to time.

#### 6.4 Details of the proposed grants of Service Rights

<b>Number of Service Rights</b>	500,000 for each of Ms Anderson and Mr Tripodi
<b>Price of Service Rights</b>	There is no amount payable other than the fee sacrifice amount for the Service Rights.
<b>Term</b>	Each Service Right has a term ending 15 years after the grant date ( <b>Term</b> ), and if not exercised before the end of the Term the Service Rights will lapse.
<b>Disposal Restrictions on Service Rights</b>	Service Rights may not be disposed, of or transferred or otherwise dealt with (including encumbered or made subject to any interest in favour of any other person) and will lapse immediately on purported disposal, transfer or dealing unless the transfer is effected by operation of law on death or legal incapacity to your legal personal representative.

<b>Vesting of Service Rights</b>	Service Rights will vest on 31 July 2023, provided the recipient(s) of the Services Rights remains a non-executive director of the Company. Earlier vesting may occur in some circumstances such a ceasing to hold the office of non-executive director.
<b>Exercise</b>	Service Rights may be exercised at any time after they vest and before the end of the Term. Service Rights may be exercised by submitting an exercise notice which may be obtained from the Company Secretary. Once Service Rights have been validly exercised, the Board will arrange for Shares to be obtained for the non-executive director's benefit. Settlement of Service Rights will not be in cash.
<b>Exercise Price</b>	The Exercise Price is nil.
<b>Disposal Restrictions on Shares</b>	Shares acquired on exercise of vested Service Rights may not be sold until doing so will not breach either the Company's Securities Trading Policy or the insider trading provisions of the Corporations Act.
<b>Cessation of Holding the Office of non-executive director (NED)</b>	If the person ceases to hold the office of non-executive director of the Company for any reason prior to 31 July 2023 then they will forfeit Service Rights in the proportion that the period following the date of cessation of holding the office of non-executive director until 31 July 2023 bears to 3 years. Any Service Rights that are not forfeited will vest.
<b>No Hedging</b>	Non-executive directors must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Service Rights (vested or unvested) or Shares that are subject to disposal restrictions. This is a Corporations Act requirement.
<b>Change of Control</b>	In the event that a Change of Control including a takeover that is expected to result in the delisting of Shares all unvested Service Rights will vest.

## 6.5 Additional information required by Listing Rule 10.15 in respect of Resolutions 4 and 5

Listing Rule 10.15 requires the following additional information be provided to Shareholders in relation to the proposed issue of Service Rights under Resolutions 4 and 5:

- (a) Pursuant to resolutions 4 and 5, the Share Rights shall be issued to Ms Anderson and Mr Tripodi.
- (b) Ms Anderson and Mr Tripodi are directors of the Company.
- (c) Subject to the passing of Resolutions 4 and 5, the Grant Value for each tranche of Share Rights to be issued to Ms Anderson and Mr Tripodi is \$30,000.00, and the number of Shares these convert to shall be determined by the Share Price on the relevant Vesting Date.
- (d) As at the date of this Notice, Ms Anderson and Mr Tripodi each receive \$60,000 plus Superannuation at 10% per annum by way of remuneration from the Company, as Director's fees.

Subject to Shareholder approval of Resolutions 4 and 5, Ms Anderson and Mr Tripodi's total remuneration package will be as follows:

- (i) annual Director's fees of \$60,000 plus superannuation; and
  - (ii) Service Rights with a value of \$30,000 per annum.
- (e) Ms Anderson and Mr Tripodi have each been issued 240,000 Share Appreciation Rights (**SARs**) under the Plan. As these SARs are not due to vest until after the 2021 AGM, of the Company it is intended that they will be cancelled and replaced with the Service Rights.
  - (f) Information required to be detailed in Listing Rule 10.15.6 is set out in Section 6.4 and Section 6.5 above and as follows:

- Term is 15 years after the grant date
- Price is nil other than fees foregone of \$30,000 per annum for three years
- Service Rights vest on 31 July 2023 subject to continuing appointment as a Director
- One Service Right converts to one ordinary share
- The Company is issuing Share Rights to ensure that a fair remuneration is paid to non-executive directors and to replace the Share Appreciation Rights issued to non-executive directors following the 2020 AGM.
- The Company attributes a value of \$30,000 per annum for three years. This is the additional amount of non-executive director fees that the Company would have paid if the Service Rights were not proposed.

- (g) If Shareholders approve the Resolutions, the Service Rights will be issued within three business days of the 2021 AGM. The Shares to be issued subsequent to the vesting of the Service Rights will be issued within three business days of the relevant Exercise Date.
- (h) The Terms of the Plan were presented to Shareholders at the 2020 AGM and were approved.
- (i) Ms Anderson and Mr Tripodi will not receive any loan from the Company in connection with the grant of Service Rights under Resolutions 4 and 5.
- (j) Details of any equity securities issued to Ms Anderson and Mr Tripodi under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that Shareholder approval for the issue was obtained under Listing Rule 10.14.
- (k) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of equity securities under the Plan after Resolutions 4 and 5 are approved and who are not named in the Notice will not participate until Shareholder approval is obtained under Listing Rule 10.14.

## 6.6 No additional approval under Listing Rule 7.1

As noted above, Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity, if the number of those securities exceeds 15% of the total number of ordinary securities on issue at the commencement of that 12 month period.

These restrictions do not apply in certain circumstances, including in relation to an issue of equity securities approved for the purposes of Listing Rule 10.14.

Consequently if Shareholders approve Resolutions 4 and 5 separate approval will not be required under Listing Rule 7.1 for the issue of the Service Rights (or any Shares on conversion of those Service Rights) and the issue of the Service Rights (or any Shares on conversion of those Service Rights) will not count towards the Company's capacity to issue equity securities under Listing Rule 7.1

## 6.7 Consequence of Resolutions 4 and 5 not being passed

If Shareholders do not approve Resolutions 4 and 5 then Ms Anderson and Mr Tripodi may be paid the value of the Service Rights in cash or, subject to the Company's cash position, have their fees revised in consultation with the Company.

## 6.8 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolutions 4 and 5.

## 7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

### 7.1 Introduction

Listing Rule 7.1A enables an eligible entity which has obtained shareholder approval to issue up to an additional 10% of its issued share capital through placements over a 12-month period after its annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Capacity.

If Shareholders approve Resolution 6, the number of equity securities the Company may issue under the 10% Placement Capacity will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (see Section 7.3 below).

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) must be in favour of the Resolution for it to be passed.

## **7.2 Listing Rule 7.1A**

### **7.2.1 Eligible entity**

An entity is an eligible entity for the purposes of Listing Rule 7.1A if it is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

### **7.2.2 Equity securities**

Any equity securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company and must be issued for cash consideration.

### **7.2.3 Formula for calculating 10% Placement Capacity**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period (defined below), a number of equity securities calculated in accordance with the following formula:

#### **(A x D) – E**

Where:

**A** is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

- (a) plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- (b) plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities (including convertible notes and options) within Listing Rule 7.2 exception 9 where:
  - (i) the convertible securities were issued or agreed to be issued before the relevant period; or
  - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4,
- (c) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16, where:
  - (i) the agreement was entered into before the commencement of the relevant period; or
  - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4,
- (d) plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid ordinary securities issued in the relevant period under the entity's 15% placement capacity without shareholder approval. This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 17, where the issue is subsequently approved under Listing Rule 7.1;
- (e) plus the number of partly paid ordinary securities that became fully paid in the relevant period; and

- (f) less the number of fully paid ordinary securities cancelled in the relevant period.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where this issue or agreement has not subsequently been approved by the holders of its ordinary securities under Listing Rule 7.4.

**relevant period** means:

- (a) if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- (b) if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

### **7.3 Specific information required by Listing Rule 7.3A**

The following information is provided in relation to the approval of the 10% Placement Capacity pursuant to and in accordance with Listing Rule 7.3A:

#### **7.3.1 10% Placement Period**

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained (i.e. the date of the Meeting) and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the next annual general meeting, if less than 12 months; or
- (c) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX,

**(10% Placement Period).**

The Company will only issue and allot the equity securities during the 10% Placement Period. In accordance with Listing Rule 7.1A, the approval under Resolution 6 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

#### **7.3.2 Minimum issue price**

The equity securities issued under Listing Rule 7.1A will be issued by the Company for cash consideration at an issue price which is not less than 75% of the volume weighted average market price of equity securities in the same class calculated over the 15 trading days on which trades in the relevant class were recorded immediately before:

- (a) the date on which the price at which the equity securities are to be issued is agreed by the Company and the recipient of the securities; or
- (b) if the equity securities are not issued within 10 trading days of the date mentioned in paragraph (a) above, the date on which the equity securities are issued.

#### **7.3.3 Purpose of issues u Purpose for which the funds raised under the 10% Placement Capacity may be used**

The Company may issue equity securities under the 10% Placement Capacity for the purpose of raising funds to use towards general working capital requirements, ongoing business development

activities and/or the acquisition of new business assets or investments (including expenses associated with such acquisition).

### 7.3.4 Risk of economic and voting dilution

Any issue of Shares under the 10% Placement Capacity will dilute the interests of any Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues equity securities under the 10% Placement Capacity, the existing Shareholders' voting and economic interests in the Company will be diluted as shown in the table below.

The table below shows the dilution of existing Shareholders on the basis of the closing price of Shares on 27 October 2021 and the number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable "A" in the formula) has increased by 50% and by 100% and the economic dilution where the issue price of Shares issued under the 10% Placement Capacity is 50% less than the closing price of the Shares on 27 October 2021 and 100% greater than the closing price of the Shares on 27 October 2021.

Variable A in Listing Rule 7.1.A.2		Dilution		
		\$0.09 50% decrease in Issue Price	\$0.18 Issue Price	\$0.36 100% increase in Issue Price
Current Variable A 848,358,858	10% Voting Dilution	84,835,886	84,835,886	84,835,886
	Funds Raised	\$7,635,230	\$15,270,459	\$30,540,919
50% increase in current Variable A 1,272,538,287	10% Voting Dilution	127,253,829	127,253,829	127,253,829
	Funds Raised	\$11,452,845	\$22,905,689	\$45,811,378
100% increase in current Variable A 1,696,717,716	10% Voting Dilution	169,671,772	169,671,772	169,671,772
	Funds Raised	\$15,270,459	\$30,540,919	\$61,081,838

The table has been prepared on the following assumptions:

- The Issue Price set out in the table is the closing price of the Company's Shares on the ASX on 27 October 2021.
- The Company issues the maximum number of equity securities available under the 10% Placement Capacity.
- There are 848,358,858 Shares on issue, being the number of Shares on issue as at 27 October 2021.
- No rights convertible into Shares are exercised into Shares before the date of the issue of the equity securities under Listing Rule 7.1A.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1 or any issues otherwise permitted under the Listing Rules.
- The issue of equity securities under the 10% Placement Capacity consists only of Shares.
- The Company has not issued any equity securities in the 12 months prior to the date of the Meeting that were not issued under an exception in Listing Rule 7.2 or which were not approved under Listing Rule 7.1 or 7.4.

Shareholders should note that there is a risk that:

- (a) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date Shareholders provide their approval at the Meeting; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the equity securities.

Shareholders should also note that the calculations in the table do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

#### **7.3.5 Allocation under the 10% Placement Capacity**

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity.

The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- (a) the purpose of the issue;
- (b) any alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the equity securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) the prevailing market conditions; and
- (f) any advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing Shareholders and/or new investors who are not Related Parties of the Company (or their Associates).

#### **7.4 Previous approval under Listing Rule 7.1A**

The Company obtained Shareholder approval under Listing Rule 7.1A at the Company's previous annual general meeting held on 23 November 2020. However, the Company has not issued any equity securities under the 10% Placement Capacity since that annual general meeting.

#### **7.5 Board Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

## 8. TOYS"R"US LICENCE – NEW TERRITORY

### 8.1 Introduction

Resolution 7 is an ordinary resolution which seeks Shareholder approval for the issue of 13,394,216 Shares to TRUK for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes.

The ANZ Licensee, a wholly owned subsidiary of the Company, is the licensee in Australia and New Zealand of the Toys "R" Us and Babies "R" Us brands.

The Company has entered into the UK License Agreement which is conditional on a number of conditions precedent in the Share Subscription Deed being satisfied for it to become effective (including, that the approval of the Shareholders be obtained). The Material Terms of the proposed UK Licence Agreement are set out below in section 8.4.

### 8.2 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 (Exception 14 of Listing Rule 7.2) and Chapter 2E of the Corporations Act. 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.

### 8.3 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 Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Shareholders under Listing Rule 10.11.

Resolution 7 seeks the required Shareholder approval for the issue of the Consideration Shares under, and for the purposes of, Listing Rule 10.11.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Consideration Shares. If Resolution 7 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 the proposed business expansion under the Toys"R"Us name into the United Kingdom pursuant to the terms and conditions of the UK License Agreement.

Information required to be provided pursuant to Listing Rule 10.13:

<b>Person to whom the Securities are to be issued, number of securities and class of securities</b>	The Consideration Shares will be issued to TRUK, which is a Related Party of the Company for the reasons set out in section 8.5.  The number of Consideration Shares to be issued is 13,394,216.
<b>Issue Date</b>	The Consideration Shares will be issued no later than 1 month after the later of the date of the Meeting.
<b>Issue Price</b>	The issue price of the Consideration Shares will be \$0.18.
<b>Ranking of Securities</b>	The Consideration Shares will rank equally in all respects with the Company's existing Shares on issue.
<b>Purpose of the Issue and use funds</b>	The Consideration Shares will be issued to induce TRUK as licensor to enter into the UK License Agreement and as additional consideration for TRUK's grant of the trademark



	<p>license to the UK Licensee in respect of the use of the Toys “R” Us and Babies “R” Us brands in the United Kingdom pursuant to the UK License Agreement and consideration for TRUK to consent to amend the ANZ License Agreement to address consequential amendments required to the document as a result of the entering into the UK License Agreement in accordance with the details set out in section 8.4.</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>
<b>Material terms of the License Agreement</b>	See Section 8.4 for further details of the Material Terms of the UK License Agreement.
<b>Voting exclusion</b>	A voting exclusion statement applies to this item of business as set out in the Notice of Meeting.

#### 8.4 Material Terms of the UK License Agreement

The Company has incorporated the UK Licensee, a wholly owned subsidiary of the Company, to operate a number of Toys”R”Us and Babies”R”Us stores in the United Kingdom (including online), in accordance with the terms of the UK Licence Agreement.

The material terms of the UK Licence Agreement are as follows:

- (a) TRUK shall grant to the UK Licensee an exclusive, non-sublicenseable, non-transferable, royalty-bearing licence to utilise the ‘Toys”R”Us’ and ‘Babies”R”Us’ trademarks in the United Kingdom;
- (b) the UK Licensee will be entitled to market and sell products and brands, which TRUK owns the trademarks to in the United Kingdom pursuant to the UK Licence Agreement;
- (c) the initial term of the UK Licence Agreement will be from the date the Consideration Shares are issued to TRUK and ending on 31 December 2036 (inclusive) (approximately fifteen (15) years), with two (2) further terms of fifteen (15) years each;
- (d) in consideration for TRUK entering into the UK Licence Agreement, the Company shall issue TRUK the Consideration Shares (provided that the conditions precedent set out in the Share Subscription Deed are satisfied, which includes Shareholder approval) ;
- (e) in consideration of TRUK granting the exclusive licence to the UK Licensee, the UK Licensee shall pay TRUK an annual minimum payment (the **Minimum Guaranteed Royalty**), as set out below:

Applicable Periods	Minimum Guaranteed Royalty
The period from and including the Effective Date until and including June 30, 2022	US\$0.00
The period from and including July 1, 2022 until and including September 30, 2022	US\$215,000.00
The period from and including October 1, 2022 until and including December 31, 2022	US\$425,000.00
Each annual period from and including January 1, 2023 until and including December 31, 2036	US\$2,400,000.00

Applicable Periods	Minimum Guaranteed Royalty
Each annual period from and including January 1, 2037 until and including December 31, 2051	The amount which is the greater of: (a) 80% of the average annual royalties for the last 3 annual periods prior to the end of the then current Term; and (b) US\$3,000,000.00.
Each annual period from and including January 1, 2052 until and including December 31, 2066	The amount which is the greater of: (a) 80% of the average annual royalties for the last 3 annual periods prior to the end of the then current Term; and (b) US\$3,500,000.00.

The Minimum Guaranteed Royalty for each period specified above shall be payable irrespective of the gross revenue of the UK Licensee in any Applicable Period.

In addition to the Minimum Guaranteed Royalty, for each Applicable Period set out in the table below where the Minimum Guaranteed Royalty is less than the continuing royalty payment as set out in column two in the table below opposite the relevant Applicable Period (the **Continuing Royalty**), the UK Licensee will pay TRUK the difference between the Continuing Royalty and the Minimum Guaranteed Royalty for the relevant Applicable Period.

Applicable Periods	Continuing Royalty Amount
Each annual period from and including the Effective Date until and including December 31, 2024	The amount equal to two percent (2%) of gross revenue (calculated on the basis that gross revenue does not include gross revenue from TRUK's private label products for the Applicable Period specified in column 1 opposite this item)
The period from and including January 1, 2025 until and including December 31, 2066	The amount equal to two percent and one-half percent (2.5%) of gross revenue (calculated on the basis that gross revenue does not include gross revenue from TRUK's private label products for the Applicable Period specified in column 1 opposite this item)

- (f) the Company and HWPL will guarantee the performance of the UK Licensee's obligations under the UK Licence Agreement; and
- (g) the original Letter of Credit under the ANZ Licence Agreement for US\$1,200,000 will be replaced with a substantially identical letter of credit securing both the obligations of the ANZ Licensee under the ANZ License Agreement and of the UK Licensee under the UK License Agreement and that replacement Letter of Credit will remain in place until 31 December 2024 (inclusive).

## 8.5 Chapter 2E of the Corporations Act

As set out in Section 2.7, a Related Party of the Company for the purposes of Chapter 2E of the Corporations Act includes any entity that controls (or is reasonably likely to control) the Company.

In order to induce TRUK as licensor to enter into the UK License Agreement and as additional consideration for TRUK's grant of the trademark license to the UK Licensee in respect of the use of the Toys "R" Us and Babies "R" Us brands in the United Kingdom pursuant to the UK License

Agreement and consideration for TRUK to consent to amend the ANZ License Agreement to address consequential amendments required to the document as a result of the entering into the UK License Agreement, TRUK will be issued the Consideration Shares (if Shareholder approval is provided) (the **Proposed Transaction**).

As previously disclosed by the Company to Shareholders in the 2020 Notice of Annual General Meeting (**AGM Notice**), pursuant to the ANZ 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.

## 8.6 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 13,394,216 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 issue price of each Consideration Share will be \$0.18.
- (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	30 September 2021	\$ 0.180
Low	19 May 2021	\$ 0.075
Last	27 October 2021	\$ 0.180

(f) Dilutionary effect

If Resolution 7 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 as at 27 October 2021**

Holder	Shares (Number)	Shares (%)
Louis Mittoni	291,205,818	34.33%
Jason Sourasis	109,733,159	12.93%
UBS NOMINEES PTY LTD	83,318,040	9.82%
Theo Andriopoulos	41,257,508	4.86%
NATIONAL NOMINEES LIMITED	38,918,810	4.59%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,269,603	3.21%
APES WITH WINGS PTY LTD <SALOM FAMILY 3 A/C>	24,825,000	2.93%
CITICORP NOMINEES PTY LIMITED	19,780,436	2.33%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,965,835	2.24%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	16,800,508	1.98%
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	11,791,398	1.39%
BRISPTOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	10,772,132	1.27%
BT PORTFOLIO SERVICES LIMITED <N & D SPARTELS S/F A/C>	4,960,000	0.58%
ANGIE TARAS	4,374,884	0.52%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,053,602	0.48%
HONEYSTASH PTY LTD <HONEYPOT A/C>	3,831,598	0.45%
TRU KIDS INC	3,603,944	0.42%
VAWDREY NOMINEES PTY LTD <THE VAWDREY FAMILY ACCOUNT>	3,296,324	0.39%
BOND STREET CUSTODIANS LIMITED <LAMAM - D05019 A/C>	3,136,249	0.37%
MONAWATU PTY LTD <MONAWATU FAMILY A/C>	2,925,000	0.34%
<b>Total Top 20 Shareholders</b>	<b>724,819,848</b>	<b>85.44%</b>
Other Shareholders	123,539,010	14.56%
<b>Total Ordinary Shares on Issue</b>	<b>848,358,858</b>	<b>100.00%</b>

Notes: Table based on issued capital as at 27 October 2021 assumes no Shares are issued.

**Table 2 – Shares on issue on Completion of the Proposed Transaction**

<b>Holder</b>	<b>Shares (Number)</b>	<b>Shares (%)</b>
Louis Mittoni	291,205,818	33.79%
Jason Sourasis	109,733,159	12.73%
UBS NOMINEES PTY LTD	83,318,040	9.67%
Theo Andriopoulos	41,257,508	4.79%
NATIONAL NOMINEES LIMITED	38,918,810	4.52%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,269,603	3.16%
APES WITH WINGS PTY LTD <SALOM FAMILY 3 A/C>	24,825,000	2.88%
CITICORP NOMINEES PTY LIMITED	19,780,436	2.30%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,965,835	2.20%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	16,800,508	1.95%
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	11,791,398	1.37%
BRISPOPT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	10,772,132	1.25%
BT PORTFOLIO SERVICES LIMITED <N & D SPARTELS S/F A/C>	4,960,000	0.58%
ANGIE TARAS	4,374,884	0.51%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,053,602	0.47%
HONEYSTASH PTY LTD <HONEYPOT A/C>	3,831,598	0.44%
TRU KIDS INC	16,998,160	1.97%
VAWDREY NOMINEES PTY LTD <THE VAWDREY FAMILY ACCOUNT>	3,296,324	0.38%
BOND STREET CUSTODIANS LIMITED <LAMAM - D05019 A/C>	3,136,249	0.36%
MONAWATU PTY LTD <MONAWATU FAMILY A/C>	2,925,000	0.34%
<b>Total Top 20 Shareholders</b>	<b>738,214,064</b>	<b>85.66%</b>
Other Shareholders	123,539,010	14.34%
<b>Total Ordinary Shares on Issue</b>	<b>861,753,074</b>	<b>100.00%</b>

*Notes: Table based on issued capital as at 27 October 2021 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:

- 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;
  - 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;
  - the identity of its current business and the identity of its former business; and
  - 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 7.

## 8.7 Escrow of Consideration Shares

Pursuant to section 707(3) of the Corporations Act, without issuing a cleansing prospectus, the Consideration 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:

- fifty per cent (50%) of the Consideration Shares issued to it for a period of 12 months; and
  - fifty per cent (50%) of the Consideration Shares issued to it for a period of 24 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.

## 8.8 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

## GLOSSARY

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

<b>10% Placement Capacity</b>	has the meaning given in Section 2.3 of the Explanatory Notes.
<b>10% Placement Period</b>	has the meaning given in Section 8.3.1 of the Explanatory Notes.
<b>AGM</b>	means an annual general meeting of the Company.
<b>AGM Notice</b>	means a notice of meeting given by the Company to its shareholders in respect of an AGM.
<b>ANZ Licensee</b>	means Toys R Us Licensee Pty Ltd (ACN 632 418 494) (formerly, TRU Australia Pty Ltd).
<b>ANZ License Agreement</b>	means the Trademark License Agreement entered into by TRUK, ANZ Licensee and HWPL dated 30 May 2019 as amended by: <ul style="list-style-type: none"><li>(a) the document titled Amendment No. 1 to License Agreement entered into by TRUK, the ANZ Licensee and HWPL dated 20 May 2020;</li><li>(b) the document titled Amendment No. 2 to License Agreement entered into by TRUK, the ANZ Licensee, the Company, HWPL and MPL on 16 October 2020; and</li><li>(c) the document titled Amendment No. 3 to License Agreement entered into by TRUK, the ANZ Licensee, the Company, HWPL and MPL on 14 May 2021.</li></ul>
<b>Associate</b>	has the meaning given in the ASX Listing Rules or in the Corporations Act, as the context requires.
<b>ASX</b>	means ASX Limited (ABN 98 008 624 691) or the securities market it operates, as the context requires.
<b>ASX Listing Rules or Listing Rules</b>	means the listing rules of the ASX, as amended from time to time.
<b>Award</b>	means an award granted under the Employee Incentive Plan (which may include SARs, Options, Service Rights, Deferred Share Awards and Performance Rights).
<b>Board</b>	means the board of Directors of the Company.
<b>Chair</b>	means the chair of the Meeting.
<b>Change in Control</b>	means, in relation to the Company, either: <ul style="list-style-type: none"><li>(a) any person, either alone or together with any associate (as defined in the Corporations Act), who did not have a relevant interest (as defined in the Corporations Act) in more than 50% of the issued Shares in the Company, acquires a relevant interest in more than 50% of the issued Shares in the Company; or</li><li>(b) the Board concludes that there has been a change in the Control of the Company.</li></ul>
<b>Chapter 2E</b>	means Chapter 2E of the Corporations Act.
<b>Company</b>	means Toys"R"Us ANZ Limited (ACN 063 886 199) (formerly, Funtastic Limited).

<b>Company's Constitution</b>	means the constitution of the Company as amended from to time.
<b>Completion</b>	means completion of the Proposed Transaction.
<b>Consideration Shares</b>	means the 13,394,216 Shares to be issued to TRUK under the UK License Agreement.
<b>Continuing Royalty</b>	has the meaning given to that term in Section 8.4(e) of the Explanatory Notes.
<b>Control</b>	has the meaning given in section 50AA the Corporations Act.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Deferred Share Award</b>	means a right to be issued Shares on a future date.
<b>Directors</b>	means directors of the Company.
<b>Employee Incentive Plan or Plan</b>	means the Toys"R"Us Equity Incentive Plan Rules 2020.
<b>Equity securities</b>	has the meaning given to that term in the Listing Rules.
<b>Escrow Period</b>	has the meaning given to that term in Section 87 of the Explanatory Notes.
<b>Exercise Price</b>	means the price payable (if any) per Share to exercise an Award.
<b>Exercise Date</b>	means the date upon which the Award is exercised by an employee pursuant to the Plan.
<b>Explanatory Notes</b>	means the explanatory notes accompanying the Notice.
<b>Financial Benefit</b>	has the meaning given in Chapter 2E of the Corporations Act.
<b>HWG</b>	Means Hobby Warehouse Group and includes HWPL, MPL, the ANZ Licensee.
<b>HWPL</b>	means Hobby Warehouse Pty Ltd (ACN 148 094 517).
<b>Key Management Personnel</b>	has the same meaning as in the Accounting Standards.
<b>Market Price</b>	has the meaning given in Section 6.4 of the Explanatory Notes.
<b>Meeting</b>	means the annual general meeting of the Company to be held at the time and place specified in this Notice of Meeting.
<b>Minimum Guarantee Royalty</b>	has the meaning given to that term in Section 8.4(e) of the Explanatory Notes.
<b>MPL</b>	means Mittoni Pty Ltd (ACN 114 705 038).
<b>Non-Executive Directors</b>	means a non-executive director of the Company.
<b>Notice of General Meeting or Notice</b>	means this notice calling the annual general meeting of Shareholders, of which the Explanatory Notes forms a part.
<b>Option</b>	means an option to acquire a Share.
<b>Performance Rights</b>	Means a right to acquire a Share issued under the Plan
<b>Plan or Employee Incentive Plan</b>	means the Toys"R"Us ANZ Limited Equity Incentive Plan approved by Shareholders at the 2020 AGM of the Company.
<b>Proposed Transaction</b>	has the meaning given in Section 8 of the Explanatory Notes.



<b>Proxy Form</b>	means the proxy form accompanying the Notice (and includes an online proxy form).
<b>Related Party</b>	has the meaning given in the Listing Rules or Chapter 2E of the Corporations Act (as the context requires).
<b>Relevant Interest</b>	has the meaning given in section 608(1) of the Corporations Act.
<b>Relevant Shares</b>	has the meaning given in Section 9.2(b) of the Explanatory Notes.
<b>Remuneration Report</b>	has the meaning given in Section 4 of the Explanatory Notes.
<b>Resolutions</b>	means the resolutions to be considered by Shareholders at the Meeting, as set out in the Notice.
<b>SAR or Share Appreciation Right</b>	means a right to receive payment upon vesting in the form of Shares or cash, equal to the difference between the Fair Market Value of Shares on the Vesting Date and the Fair Market Value of such Shares on the Grant Date.
<b>Section</b>	means a section of the Explanatory Notes.
<b>Securities Trading Policy</b>	means the Company's Securities Trading Policy adopted in 2014 and updated on 21 August 2021 as set out in the Corporate Governance section of the company website.
<b>Service Rights</b>	means the right to receive payment upon vesting in the form of Shares on a future date pursuant to the terms and conditions of the Plan
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Share Subscription Deed</b>	means the document titled Share Subscription Deed entered into by TRUK and the Company on 25 October 2021.
<b>Shareholder</b>	means a holder of one or more Shares in the Company and <b>Shareholders</b> means all holders of one or more Shares in the Company.
<b>Term</b>	has the meaning given to that term in section 6.4.
<b>TRUK</b>	means TRU Kids, Inc.
<b>UK Licence Agreement</b>	means the document titled Trademark License Agreement (United Kingdom) entered into, or to be entered into by TRUK, the Company, the UK Licensee, and HWPL.
<b>UK Licensee</b>	means Donatiello Limited (UK Company Number: 13673956).
<b>Vesting Date</b>	means the date on which a SAR, an Option a Service right or a Share Right vests, as specified in the Explanatory Notes.
<b>Voting Power</b>	has the meaning given in section 610(1) of the Corporations Act.



Toys R Us ANZ Limited | ACN 063 886 199

# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **11.00am (Melbourne time) on Saturday, 11<sup>th</sup> December 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 despatched 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/#/login>

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](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### PHONE:

1300 288 664 (Within Australia)  
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