



28 April 2010

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**Share Trading Policy**

The attached share trading policy for Funtastic Ltd was adopted by the board on April 15, 2010.

Yours faithfully

James Cody  
Company Secretary



**SUBJECT:** Share Trading Policy  
**RESONSIBLE BUSINESS UNIT:** Chief Financial Officer  
**DATE ISSUED:** 13 April 2010  
**REPLACES:** 2.15 Shareholding as current at 31 July 2006

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## **1. PURPOSE**

The purpose of this policy is to clearly outline when Funtastic shares can be bought and sold; thereby avoiding any actual insider trading and any perception of insider trading.

This policy also applies to the exercise of any Options.

Everyone is reminded that the prohibition on insider trading applies to trading in any shares (Funtastic's or a third party's).

## **2. POLICY**

Share trading is generally permitted provided:

- a. you are not in possession of insider information; and
- b. the trade occurs outside the blackout periods

### **2.1 Who does the Policy apply to?**

Directors, Executives, Management and all employees who have access to price sensitive information.

You cannot avoid this policy by asking another person to trade on your behalf.

### **2.2 What is insider information/insider trading?**

Insider information is information that is not publicly available but which, if available, would be reasonably expected to have a material effect on the price or value of Funtastic shares including on people's decision whether or not to buy or sell Funtastic shares. For example insider information could include non-public information about negotiations on the acquisition of a new business or the introduction of a major new product line which is likely to have a significant impact on company revenue.

Insider trading includes sharing inside information with others to induce or encourage them to trade in shares on their own or your behalf.

Insider trading is a criminal offence punishable by significant criminal and civil penalties. It is also serious misconduct which can lead to disciplinary action or dismissal.

### 2.3 When are the blackout periods?

Blackout periods:

- a. From the close of the accounts (on 30 June each year) to 2 business days after the publication to the ASX of the half year financial results ie the Appendix 4E (a 2 business day blackout period would apply from the publication to the ASX of the final full year financial report only in the event that they were materially different from the Appendix 4E results);
- b. From the close of the accounts (on 31 December each year) to 2 business days after the publication to the ASX of the full year financial results ie the Appendix 4D (a 2 business day blackout period would apply from the publication to the ASX of the final full year financial report only in the event that they were materially different from the Appendix 4D results); and
- c. Forty-eight hours after the public release of any market guidance update.

### 2.4 Are there any exceptions?

Prior written permission may be granted to trade during blackout periods but these will only be granted in exceptional circumstances and provided that the person seeking to trade is not in possession of inside information.

If permission is granted then it will only be permission to sell shares, not to buy shares. Permission to exercise Options will not be granted during blackout periods.

### 2.5 What are exceptional circumstances?

Exceptional circumstance would include the need to sell shares because of severe financial hardship. This may include a court order to sell or transfer the shares, or a court order to pay monies which cannot be paid other than by selling the shares.

### 2.6 How do I apply for exceptional circumstances approval to trade in Funtastic shares during a blackout period?

The application must be made in writing, setting out the number of Funtastic shares to be sold and when the sale is desired to occur. The written application must be accompanied by full particulars of the exceptional circumstance.

Exceptional circumstances approval can only be granted by the Authorised Person and, if given, the approval must be provided in writing. No trading is to take place without the prior written approval of the Authorised Person.

In the case of Directors, the Authorised Person is the Chairman of the Board (or in the Chairman's absence, the Chairman of the Audit Committee).

In the case of the Chairman, the Authorised Person is the Chairman of the Audit Committee.

For all other persons, the Authorised Person is the CFO (or in the CFO's absence, the CEO).

### 2.7 How long do I have to sell once I receive an approval to sell Funtastic shares during a blackout period?

Once any written approval is given, the sale must be made as soon as possible and in any event within 2 business days of the written approval being received.

### 2.8 What records are kept of approval to sell Funtastic shares during a blackout period?

Records of any approval granted pursuant to 2.6 of this policy will be kept by the Company Secretary. Those records will include both the written application and the written authorisation together with details of the actual sale date, quantity and price.

These records will be made available to the ASX if required by law.

**3. FURTHER INFORMATION**

Please Contact          James Cody      CFO                  03 8531 0000

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