

# Notice of Annual General Meeting and Explanatory Notes

Funtastic Limited ACN 063 886 199

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Date: Friday, 21 May 2010

Time: 10:00am

Place: Funtastic Head Office

Level 2, Tower 2, Chadstone Place

1341 Dandenong Road, Chadstone Vic

## Important notice

In this document you will find:	Page No.
1. Notice of Annual General Meeting.	
2. Proxy form.	
3. Explanatory Notes containing an explanation of, and information about, the resolutions to be put to the meeting	

The Explanatory Notes contain an explanation of, and information about, the matters to be considered at the Annual General Meeting of Funtastic Limited. The Explanatory Notes are given to Funtastic Limited's shareholders to help them determine how to vote on the resolutions set out in the accompanying Notice of Meeting.

Shareholders should read this document in full.

This document is dated 20 April 2010.



# Notice of Annual General Meeting

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Notice is given that the tenth annual general meeting of shareholders of Funtastic Limited (ACN 063 886 199) (**Funtastic** or **the Company**) will be held on Friday, 21 May 2010, at Funtastic Head Office, Level 2, Tower 2, 1341 Dandenong Road, Chadstone, Victoria, commencing at 10:00am (Melbourne time).

## Ordinary Business

### 1. Financial statements and reports

To receive and consider:

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

in respect of the year ended 31 December 2009.

### 2. Remuneration Report

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

'That the Remuneration Report for the Company (included in the Directors' Report on pages 16 to 28) for the year ended 31 December 2009 be adopted.'

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

### 3. Election of Director, Craig Mathieson

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

'That Craig Mathieson, a Director appointed in accordance with Rule 35(a) of the Constitution, and being eligible for election pursuant to Rule 35(b) of the Constitution, is elected as a Director of Funtastic.'

### 4. Election of Director, Nir Pizmony

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

'That Nir Pizmony, a Director appointed in accordance with Rule 35(a) of the Constitution, and being eligible for election pursuant to Rule 35(b) of the Constitution, is elected as a Director of Funtastic.'

5. Election of Director, James Flintoft

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

'That James Flintoft, a Director appointed in accordance with Rule 35(a) of the Constitution, and being eligible for election pursuant to Rule 35(b) of the Constitution, is elected as a Director of Funtastic.'

6. Re-election of Director, Shane Tanner

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

'That Shane Tanner, a Director retiring in accordance with Rule 35(c) of the Constitution, and being eligible, is re-elected as a Director of Funtastic.'

7. Other business

To transact any other business which may legally be brought before the meeting.

# Voting

## Entitlement to vote

The Directors have decided that for the purpose of determining entitlements to attend and vote at the Annual General Meeting, shares will be taken to be held by the persons who are the registered holders at 7:00pm (Melbourne time) on Wednesday, 19 May 2010. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

## Proxies

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. If you require an additional proxy form, please contact Computershare at the address below.
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. Where a shareholder appoints more than one proxy, neither proxy is entitled to vote on a show of hands.
4. A proxy need not be a shareholder of Funtastic.
5. To be effective, Funtastic must receive the completed proxy form and, if the form is signed by the shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 10:00am (Melbourne time) on Wednesday, 19 May 2010.
6. Proxies may be lodged with the Company's share registry:  

Computershare Investor Services Pty Limited  
GPO Box 242  
MELBOURNE VIC 3001

Fax number: 1800 783 447 (Within Australia) and +61 3 9473 2555 (Outside Australia)
7. Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.
8. A proxy may decide whether to vote on any motion, 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.
9. If a shareholder appoints the chairperson of the meeting as the shareholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that shareholder, in favour of that item on a poll.
10. 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.
11. Please refer to other notes appearing on the enclosed proxy form.

# Corporate representatives


A member that is a body corporate may appoint an individual to act as its representative at the meeting. 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.

Appointments may be lodged in advance of the meeting at Funtastic's share registry (details above), or handed in at the meeting when registering.

The accompanying Explanatory Notes form part of this Notice of Meeting.

## By order of the Board

Date                    20 April 2010

Signed                 

Name                   James Cody  
                             Company Secretary

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# Explanatory Notes

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These Explanatory Notes are intended to provide shareholders of Funtastic with information to assess the merits of the proposed resolutions in the accompanying Notice of Meeting.

The Directors recommend that shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions.

## Ordinary Business

### 1. Financial statements and reports

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires the financial report (which includes the financial statements and Directors' declaration), the Directors' report and auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or the Constitution for shareholders to approve the financial report, the Directors' report or the auditor's report. 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 Funtastic.

The financial report and the Directors' and auditor's reports relate to the year ended 31 December 2009.

The Board unanimously recommends that shareholders vote in favour of adopting the financial statements and reports.

### 2. Remuneration report

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

The Remuneration Report is included in the Directors report and set out on pages 16 to 28 of the 2009 Annual Report. It is also available from the Company's website ([www.funtastic.com.au](http://www.funtastic.com.au))

The Remuneration Report:

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

The vote on this resolution 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 Funtastic.

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

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

### 3. Election of Director, Craig Mathieson

Craig Mathieson was appointed as a Director in August 2009. In accordance with Rule 35(b) of the Constitution, Mr Mathieson offers himself for election as a Director.

Mr Mathieson is CEO of The Mathieson Group. He was Managing Director of DMS Glass from 2001 to 2007. He has a banking and commercial background gained while working with the Business Banking division of ANZ Bank and the Property Finance division of St George Bank.

The Directors (other than Mr Mathieson) recommend that shareholders vote in favour of the resolution in Item 3.

### 4. Election of Director, Nir Pizmony

Nir Pizmony was appointed as a Director in August 2009. In accordance with Rule 35(b) of the Constitution, Mr Pizmony offers himself for election as a Director.

Mr Pizmony has over twenty-five years experience in consumer products, he has formed, developed and subsequently sold two successful toy companies. Nir's knowledge and reputation in the toy industry is well proven both in Australia and globally.

The Directors (other than Mr Pizmony) recommend that shareholders vote in favour of the resolution in Item 3.

### 5. Election of Director, James Flintoft

James Flintoft was appointed as a Director in January 2010. In accordance with Rule 35(b) of the Constitution, Mr Flintoft offers himself for election as a Director.

Mr Flintoft brings a range of operational financial and strategic capabilities to the Board of Funtastic Limited. He has led large diverse businesses including, as Managing Director, Business Banking at ANZ Banking Corporation; he developed his strategic skills during his time at McKinsey & Company Corporation.

The Directors (other than Mr Flintoft) recommend that shareholders vote in favour of the resolution in Item 3.



6. Re-election of Director, Shane Tanner

Shane Tanner was appointed as a Director on 19 March 2009. In accordance with Rule 35(c) of the Constitution, Mr Tanner offers himself for re-election as a Director.

Mr Tanner is Chairman of Vision Group Holdings Ltd and Paragon Care Ltd. Mr Tanner is a former CEO of Mayne Nickless Diagnostic Services and Director of Sterilhealth Ltd. Mr Tanner has vast commercial and financial experience.

On 24 March 2010 the Board announced its intention to appoint Mr Tanner as Chairman of the Board, the appointment will be effective from the AGM.

The Directors (other than Mr Tanner) recommend that the shareholders vote in favour of the resolution in Item 6.

By order of the Board

Date 20 April 2010

Signed 

Name James Cody  
Company Secretary

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# Additional Information

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Please visit the Annual General Meeting page on our website – [www.funtastic.com.au](http://www.funtastic.com.au) – to obtain further information on the meeting.

### Will you be attending?

To assist our planning, please let us know whether you will be attending the Annual General Meeting by

Email: Kirstin.Hunter@funtastic.com.au

Telephone: (613) 8531 0002

**By Car** - there are around 9,600 free car spaces at Chadstone Shopping Centre. The best location to park for the Funtastic Office is in the Woolworths Car Park accessible via either the Dandenong Road or Warrigal Road entrance.

**By Train** - Chadstone Shopping Centre is located close to four train stations: Oakleigh, Hughesdale and Murrumbeena stations on the Dandenong, Cranbourne or Pakenham lines and Holmesglen Station on the Glen Waverley line. A short bus trip completes the journey to Chadstone from these stations. However, the Hughesdale station is only a short 10-15 minute walk along Poath Road to Chadstone Shopping Centre.

**By Bus** - Chadstone is easily accessible by bus with 13 suburban bus routes stopping at the centre. From Oakleigh Station take one of the following bus routes: 903 'To Altona' to get to Chadstone; 742, 800, 802, 804 or 862 (towards Chadstone), or - 900 (towards Caulfield). From Murrumbeena Station take bus Route 822 (towards Chadstone). From Holmesglen Station take bus Route 624 or 903.

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**funtastic**  
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ABN 94 063 886 199

000001 000 FUN  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

### Lodge your vote:



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

For your vote to be effective it must be received by 10:00am Wednesday 19 May 2010

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

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MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Funtastic Limited hereby appoint

the Chairman of the meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Funtastic Limited to be held at Funtastic Head Office, Level 2, Tower 2 Chadstone Place, 1341 Dandenong Road, Chadstone on Friday, 21 May 2010 at 10:00 am and at any adjournment of that meeting.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### Ordinary Business

	For	Against	Abstain
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Election of Director - Craig Mathieson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Election of Director - Nir Pizmony	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Election of Director - James Flintoft	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Re-election of Director - Shane Tanner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_