

# Notice of Annual General Meeting and Explanatory Notes

Funtastic Limited ACN 063 886 199

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Date: Thursday 24<sup>th</sup> November 2011  
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:

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 24/10/2011.

# Notice of Annual General Meeting

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Notice is given that the twelfth annual general meeting of shareholders of Funtastic Limited (ACN 063 886 199) (**Funtastic** or **the Company**) will be held on Thursday, 24 November 2011, 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 ending 31 July 2011.

### 2. Remuneration Report

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

"In accordance with Section 250R of the Corporations Act, the Company adopts the Remuneration Report as set out in the Directors Report on pages 17 to 29 of the 2011 Annual Report, for the year ending 31 July 2011.

Notes:

- (a) The vote on this resolution is advisory only and does not bind the Directors of the Company
- (b) The Company's key management personnel and their closely related parties must not cast a vote on the remuneration report unless they are appointed in writing as a proxy for a Shareholder eligible to vote on the resolution and that proxy specifies how to vote on the resolution.
- (c) The Chairman will vote all undirected proxies in favour of this resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

### 3. Election of Director, Linda Norquay

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

'That Linda Norquay, 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, Paul Wiegard

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

'That Paul Wiegard, 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. 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.'

#### 6. Re-election of Director, Stephen Heath

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

'That Stephen Heath, 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 Tuesday 22 November 2011. 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 Boardroom Pty Limited 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 Tuesday 22 November 2011.

6. Proxies may be lodged with the Company's share registry Boardroom Pty Limited using the reply paid envelope provided or:

**BY MAIL -** Share Registry – Boardroom Pty Limited, GPO Box 3993,  
Sydney NSW 2001 Australia

**BY FAX -** + 61 2 9290 9655

**IN PERSON -** Share Registry – Boardroom Pty Limited,  
Level 7, 207 Kent Street, Sydney NSW 2000 Australia

**Vote online at: [www.boardroomlimited.com.au/vote/funtasticagm2011](http://www.boardroomlimited.com.au/vote/funtasticagm2011)**

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 24 October 2011



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 ending 31 July 2011.

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 17 to 29 of the 2011 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, Linda Norquay

Linda Norquay was appointed as a Director in September 2011. In accordance with Rule 35(b) of the Constitution, Ms Norquay offers herself for election as a Director.

Linda Norquay is currently Chief Financial Officer at Illyria Pty. Ltd. Linda brings a wealth of financial and strategic experience to Funtastic Limited and has previously held senior financial and management roles at Allco Finance Group, Macquarie Bank and Barclays Bank Plc in London.

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

### 4. Election of Director, Paul Wiegard

Paul Wiegard was appointed as a Director in October 2011. In accordance with Rule 35(b) of the Constitution, Mr Wiegard offers himself for election as a Director.

Paul Wiegard is a founder and joint Managing Director of Madman Entertainment, the leading independent theatrical, rights management and home entertainment company in Australasia. Mr Wiegard is also a board member of the Australian Video Software Distributors (Chair), the Melbourne International Film Festival and the Australian Independent Distributors Association. Mr Wiegard brings an impressive depth of knowledge and experience of the entertainment industry.

The Directors (other than Mr Wiegard) recommend that shareholders vote in favour of the resolution in Item 4.

### 5. Re-election of Director, Shane Tanner

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

Shane 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 Sterihealth Ltd. Mr Tanner has a vast commercial and financial experience.

The Directors (other than Mr Tanner) recommend that shareholders vote in favour of the resolution in Item 5.

### 6. Re-election of Director, Stephen Heath

Stephen Heath was elected as a Director in October 2010. In accordance with Rule 35(c) of the Constitution, Mr Heath offers himself for re-election as a Director.

Stephen Heath has extensive retail experience comprising 17 years across iconic Australian Retail Brands including Harvey Norman, Rebel Sport, and Godfreys. Stephen has recently held the position of Managing Director of International Cleaning Solutions Holdings which has retail and wholesale interests in Australia, N.Z, and the UK. Previous to this Stephen was CEO of Rebel Sport during its public listing on the ASX. Stephen also spent 5 years with Sharp Corporation managing the retail accounts of major retailers such as Harvey Norman, Myers, David Jones & Kmart

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

By order of the Board

Date 24 October 2011



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](mailto:Kirstin.Hunter@funtastic.com.au)

Telephone: 03 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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**FOR ALL ENQUIRIES CALL:**  
(within Australia) 1300 737 760 (outside Australia) +61  
2 9290 9600

**FACSIMILE**  
+61 2 9290 9655

## Name and Address

**ALL CORRESPONDENCE TO:**  
Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001  
Australia

### YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10:00am  
TUESDAY 22nd NOVEMBER 2011

### TO VOTE ONLINE



**STEP 1 : VISIT** [www.boardroomlimited.com.au/vote/funtasticagm2011](http://www.boardroomlimited.com.au/vote/funtasticagm2011)

**STEP 2: Enter your holding/Investment type**

**STEP 3: Enter your Reference Number and VAC: <VAC NUMBER>**

#### Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

#### Reference Number:

Please note it is important you keep this confidential

## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy  
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

### STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities 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 securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, 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.

### STEP 3 Sign the Form

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **10:00am on Thursday, 24<sup>th</sup> November 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxies may be lodged using the reply paid envelope or:**

**BY MAIL -** Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

**BY FAX -** + 61 2 9290 9655

**IN PERSON -** Share Registry – Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia

### Vote online at:

[www.boardroomlimited.com.au/vote/funtasticagm2011](http://www.boardroomlimited.com.au/vote/funtasticagm2011)  
or turnover to complete the Form →

### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Funtastic Limited

<Address 1>  
 <Address 2>  
 <Address 3>  
 <Address 4>  
 <Address 5>  
 <Address 6>

<BARCODE>

## STEP 1 - Appointment of Proxy

I/We being a member/s of **Funtastic Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

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 at the **Annual General Meeting of Funtastic Limited to be held at the Funtastic Head Office, Level 2, Tower 2, Chadstone Place, 1341 Dandenong Road, Chadstone VIC on Thursday, 24<sup>th</sup> of November 2011 at 10:00 am** and at any adjournment of that meeting, to act 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.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of item 2, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of item 2 and votes cast by the Chairman of the Meeting for item 2, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on item 2, and your votes will not be counted in calculating the required majority if a poll is called. By marking this box I/we acknowledge the Chairman of the Meeting can exercise my/our proxy even though he has an interest in the outcome of item 2 and unless a specific voting direction has been specified below, the Chairman of the Meeting is directed to vote in accordance with his voting intention as set out below.

The Chair will vote all undirected proxies in favour of item 2

## STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business		For	Against	Abstain*
Item 2	To adopt the Remuneration Report for year ended 31 July 2011	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	To elect Linda Norquay as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	To elect Paul Wiegard as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	To re-elect Shane Tanner as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	To re-elect Stephen Heath as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

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

## STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name .....

Contact Daytime Telephone ..... Date / / 2011