

Notice of Annual General Meeting and Explanatory Notes

Funtastic Limited ACN 063 886 199

Date: Friday 5 December 2014
Time: 10:00am AEDT
Place: Funtastic Head Office
Level 2, Tower 2, Chadstone Place
1341 Dandenong Road, Chadstone Victoria

Important notice

In this document you will find:

1. Notice of Annual General Meeting; and
2. Explanatory Notes containing an explanation of, and information about, the resolutions to be put to the meeting.

A Proxy Form is also enclosed with the Notice of Annual General Meeting and Explanatory Notes.

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 3rd November 2014.

Notice of Annual General Meeting

Notice is given that the annual general meeting of shareholders of Funtastic Limited (ACN 063 886 199) (**Funtastic** or **the Company**) will be held on Friday 5 December 2014, at Funtastic Head Office, Level 2, Tower 2, Chadstone Place, 1341 Dandenong Road, Chadstone, Victoria, commencing at 10:00am AEDT.

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 2014.

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 18 to 27 of the 2014 Annual Report, for the year ending 31 July 2014.'

Note:

The vote on this resolution is advisory only and does not bind the Directors of the Company.

Voting Exclusion Statement:

- (a) The Company's key management personnel and their closely related parties must not cast a vote on the Remuneration Report unless the vote is cast as a proxy on behalf of a person who is entitled to vote on this resolution and either:
 - (i) the Proxy Form specifies the way the proxy is to vote on this resolution; or
 - (ii) the proxy is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on this resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.
- (b) The Chairman intends to vote all undirected proxies (where he has been appropriately authorised) in favour of this resolution. If you wish to vote against this resolution or you wish to abstain from voting on this resolution you should mark the relevant box in the attached Proxy Form. Please see the directions on the Proxy Form relating to authorisation of the Chairman to vote undirected proxies.

3. Re-election of Director, Mr Shane Tanner

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

'That Mr 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.'

The Chairman intends to vote all undirected proxies in favour of this resolution.

4. Re-election of Director, Mr Craig Mathieson

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

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

The Chairman intends to vote all undirected proxies in favour of this resolution.

5. Election of Director, Mr Grant Mackenzie

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

'That Mr Grant Mackenzie, a Director retiring in accordance with Rule 35(c) of the Constitution, and being eligible, is elected as a Director of Funtastic.'

The Chairman intends to vote all undirected proxies in favour of this resolution.

2014 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 7pm AEDT on Wednesday, 3 December 2014. 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 (AEDT) on Wednesday, 3 December 2014.
6. Proxies may be lodged with the Company's share registry, Boardroom Pty Limited using the reply paid envelope provided or:

BY MAIL - Boardroom Pty Limited, GPO Box 3993,
Sydney NSW 2001 Australia

BY FAX - +61 2 9290 9655

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

Vote online at: www.votingonline.com.au/funtasticagm2014

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 Chairman of the meeting as the shareholder's proxy using the attached Proxy Form and does not specify how the Chairman is to vote

on an item of business, the Chairman will be authorised to vote as he decides on all resolutions. The Chairman intends to vote all such proxies in favour of all resolutions. However, the Chairman will not vote such proxies to the extent that the Shareholder is restricted by law from voting on any resolutions.

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 shareholder 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 3 November 2014

Signed



Name

Grant Mackenzie
Company Secretary

Explanatory Notes

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 2014.

The Directors unanimously recommend 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 18 to 27 of the 2014 Annual Report. It is also available from the Company's website (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 Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.

3. Re-election of Director, Mr Shane Tanner

Appointed to the Board in March 2009 as an Independent Non-executive director and appointed as Chairman of the Board effective from the AGM on 21 May 2010. Mr Tanner is Chairman of the Nomination Committee and a member of the Remuneration and Evaluation Committee and the Audit, Risk and Compliance Committee.

He 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 3.

4. Re-election of Director, Mr Craig Mathieson

Appointed to the Board in August 2009 as a Non-executive director. Mr Mathieson is Chairman of the Audit, Risk and Compliance Committee, a member of the Remuneration and Evaluation Committee and of the Nomination Committee.

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

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

5. Election of Director, Mr Grant Mackenzie

Mr Grant Mackenzie was appointed to the position of Director and Chief Operating officer on 6 August 2014.

Mr Mackenzie is also the Chief Financial Officer and Company Secretary of the Company and is a Chartered Accountant (SA), MBA qualified finance director with a wealth of FMCG experience. He also brings with him a successful record of international, strategic and commercial management such that he is considered a key asset to the Group in executing its long term geographical expansion of own brands.

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

By order of the Board

Date 3rd November 2014



Signed

Name Grant Mackenzie
Company Secretary

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Additional Information

Please visit the Annual General Meeting page on our website – 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: jenny.power@funtastic.com.au

Telephone: 03 8531 0008

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.

For personal use only



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- Level 7, 207 Kent Street,
Sydney NSW 2000 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am AEDT on Wednesday 3 December 2014.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/funtasticcagm2014
- STEP 2: Enter your holding/investment type:**
- STEP 3: Enter your Reference Number:**
- STEP 4: Enter your VAC:**

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair 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 Chair 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.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting 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

To direct your proxy how to vote, mark 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 securities are to be voted on any item by inserting the percentage or number that 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 for all your securities your vote on that item will be invalid.

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.

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 should 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 should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am AEDT on Wednesday, 3 December 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** www.votingonline.com.au/funtasticcagm2014
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

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 in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

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

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Funtastic Head Office, Level 2, Tower 2, Chadstone Place, 1341 Dandenong Road, Chadstone, Victoria on Friday, 5 December, 2014 at 10:00am AEDT** 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.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 2, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 2 is connected with the remuneration of a member of the key management personnel for the Funtastic Limited.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 2). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director, Mr Shane Tanner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director, Mr Craig Mathieson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Director, Mr Grant Mackenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed 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 / / 2014