

# Notice of Extraordinary General Meeting and Explanatory Notes

Funtastic Limited ACN 063 886 199

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Date: Thursday 4 May 2017

Time: 10:00am AEST

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 Extraordinary General Meeting; and
2. Explanatory Notes containing an explanation of, and information about, the resolution to be put to the meeting.

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

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

This is an important document and shareholders should read it in full. If shareholders are in any doubt as to the course they should follow, they should contact their financial or other professional adviser.

This document is dated 3 April 2017.

For personal use only

# Notice of Extraordinary General Meeting

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Notice is given that an extraordinary general meeting of shareholders of Funtastic Limited (ACN 063 886 199) (**Funtastic** or **the Company**) will be held on Thursday 4 May 2017, at Funtastic Head Office, Level 2, Tower 2, Chadstone Place, 1341 Dandenong Road, Chadstone, Victoria, commencing at 10:00am AEST.

## Business

### 1. **REMOVAL OF THE COMPANY FROM THE ASX OFFICIAL LIST**

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

*"That, for the purposes of ASX Listing Rule 17.11 and for all other purposes, shareholders approve the Company's removal from the official list of the ASX on a date to be decided by the ASX (being a date no earlier than one month after the date this resolution is passed) and that the Directors be authorised to do all things reasonably necessary or desirable to give effect to the removal of the Company from the official list of the ASX."*

# Voting

## Entitlement to vote

The Directors have decided that for the purpose of determining entitlements to vote at the Extraordinary General Meeting, shares in the Company will be taken to be held by the persons who are the registered holders at 7pm AEST on Tuesday 2 May 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to 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 2 May 2017.
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 12, 225 George Street, Sydney NSW 2000 Australia

**Vote online at:** [www.votingonline.com.au/funtasticegm2017](http://www.votingonline.com.au/funtasticegm2017) by entering your Postcode or Country of Residence (if outside Australia) and your Voting Access Code (**VAC**), which are provided on your proxy form.

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 (**Chairman**) 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 Extraordinary General Meeting.

By order of the Board

Date 3 April 2017



Signed

Name Grant Mackenzie  
Company Secretary

# 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 resolution in the accompanying Notice of Extraordinary General Meeting (**Proposed Resolution**). These Explanatory Notes contain the information that the Directors consider to be material to Shareholders in considering the Proposed Resolution, as well as the information required to be provided to Shareholders under the requirements of the Corporations Act and under applicable regulatory guidance published by the Australian Securities and Investments Commission (**ASIC**) and by the Australian Securities Exchange (**ASX**).

The Directors recommend that Shareholders read these Explanatory Notes in full before making any decision in relation to the Proposed Resolution.

## 1 REMOVAL OF THE COMPANY FROM THE ASX OFFICIAL LIST

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**1.1 Background** As announced to ASX on 24 March 2017, the directors of Funtastic have determined that the continued listing of the Company on the ASX is no longer in the best interests of the Company and its shareholders, and the Company intends to apply to the ASX pursuant to Listing Rule 17.11 to be removed from the official list of the ASX (**Official List**).

The Company applied for and received in-principle advice from the ASX on 20 March 2017 (**In-principle Decision**) in which ASX formally advised that, based solely on the information provided by the Company, and upon receipt of an application from the Company for its removal from the Official List, the ASX would be likely to agree to remove the Company from the Official List, subject to the following conditions:

- (a) the Company's removal from the Official List is approved by ordinary resolution of ordinary security holders of the Company;
- (b) the notice of meeting seeking security holder approval for the Company's approval from the Official List must:
  - (i) include a statement to the effect that the removal will take place no earlier than one month after approval is granted; and
  - (ii) contain an update on the Company's current negotiations with its financiers in relation to a restructure of its existing debt; and
- (c) the Company releases the full terms of the In-principle Decision to the market immediately upon the Directors resolving to seek removal of the Company from the Official List.

The In-principle Decision only applies until 17 June 2017 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules or policies of the ASX.

In accordance with the conditions as stated above:

- the Proposed Resolution seeks Shareholder approval via ordinary resolution for the removal of the Company from the Official List (**Proposed Removal**);
- the indicative timetable that will be followed for the Proposed Removal has been outlined in section 1.3 below;

- an update on the Company's current negotiations with its financier in relation to a potential restructure of its existing debt is contained in section 1.2; and
- the Company released the full terms of the In-principle Decision to the market on 24 March 2017.

If the Proposed Resolution is approved, then the:

- Company will be removed from the Official List and the Shares will no longer be quoted on the ASX;
- date of removal from the Official List (**Removal Date**) will be on a date to be determined by ASX, which will be no earlier than one month after the date of approval of the Proposed Resolution by Shareholders; and
- Company and acquisition of its Shares will continue to be subject to regulation under the Corporations Act and the Constitution.

The Proposed Removal is considered by the Directors to be in the best interests of the Company for the reasons set out in section 1.4 below.

The possible disadvantages of de-listing are set out in section 1.5 below, and the implications of de-listing, and of the Company no longer being subject to regulation under the Listing Rules, are set out in section 1.6 below.

The Directors recommend that Shareholders seek legal, financial and taxation advice about the potential impact of the Proposed Removal, including the potential advantages and disadvantages of holding shares in a company that is not listed on ASX.

## **1.2 Potential restructure of the Company's debt facility**

The Company has an existing debt facility with National Australia Bank Limited (**NAB**) for a total amount of \$49,664,500 (excluding credit card and bank guarantees) as at the date of this Notice of Extraordinary General Meeting. The Company currently relies on the support of NAB under its existing debt facility arrangements.

The Company and NAB are in ongoing and incomplete negotiations for the restructure of the debt facility and no guarantee can be provided at this stage as to the likely outcome of these negotiations. There is currently no proposal capable of acceptance by the Company in relation to the debt restructure.

Should the parties agree to implement a debt restructure, the restructure may be subject to Shareholder approval and NAB may also need to obtain approval from the Australian Prudential Regulation Authority.

Based on the ongoing negotiations with NAB, the Directors believe that the Company will be in a better position, and it will have greater flexibility, to negotiate a more favourable position on a potential debt restructure with NAB after it has been removed from the Official List, than would be the case if it remained on the Official List. Based on the Company's current financial position, the Directors are of the view that, if the Proposed Resolution is passed and a debt restructure is successfully negotiated and implemented after the Removal Date, it may enhance the Company's financial position and provide a sound base on which to grow the business, which may have a positive impact on the value of the Shares and further reduce the level of debt.

If the Proposed Resolution is passed and a debt restructure cannot be agreed with NAB after the Removal Date, then the Company will continue to rely on the ongoing support of NAB under the Company's existing debt facility arrangements.

If the Proposed Resolution is not passed, then the Directors are of the view that the ability to improve the Company's performance would be a slower process and the Company will continue to rely on the ongoing support of NAB under the Company's existing debt facility arrangements.

### **You should seek independent advice**

The Directors strongly recommend that Shareholders seek independent professional advice before making a decision as to whether or not they will vote in favour of the Proposed Resolution and, should they decide to vote in favour of the Proposed Resolution, whether to sell their Shares on ASX prior to the Removal Date or retain them after the Removal Date.

### **Company will provide further updates**

The Company will provide updates on material developments in respect of the potential debt restructure as and when these developments occur via ASX continuous disclosure announcements (prior to the Removal Date) and via its website (<http://corporate.funtastic.com.au/investors/>) after the Removal Date.

## **1.3 Timetable for the Proposed Removal**

The indicative timetable for the Proposed Removal is set out below:

<b>Event</b>	<b>Date</b>
<b>Receipt of In-principle Decision</b>	20 March 2017
<b>Announcement of intention to apply to ASX for removal from the Official List</b>	27 March 2017
<b>Extraordinary General Meeting</b> of Shareholders to approve the Proposed Removal	4 May 2017
<b>Formal application to ASX for removal</b>	4 May 2017
<b>Expected announcement of ASX decision</b>	12 May 2017
<b>Expected Removal Date</b>	5 June 2017

## **1.4 Rationale and advantages for the Proposed Removal**

The Directors believe that the key advantages for the Proposed Removal are as follows.

### **(a) Low level of trading on ASX**

A key reason for considering the Proposed Removal is the relatively low level of trading in the Shares on the ASX compared to the Company's total issued share capital.



As set out in the table below, monthly trading volumes in Shares have been consistently less than 2% of the total Shares on issue. Over the last 6 months, the Shares have traded as follows:

Month Ending	Closing Price	Trading Volume (daily average)	Trading Volume (monthly)	% of total shares on issue
28 February 2017	\$0.016	645,511	11,619,206	1.6%
31 January 2017	\$0.020	382,872	7,657,446	1.0%
31 December 2016	\$0.012	302,926	6,058,521	0.8%
30 November 2016	\$0.014	358,961	7,897,136	1.1%
31 October 2016	\$0.016	563,055	11,824,159	1.6%
30 September 2016	\$0.016	273,824	6,024,129	0.8%

The low trading volumes of the Shares, as demonstrated in the table above, create significant volatility in the market price of the Shares, which does not reflect the Company's market capitalisation fairly.

(b) **Inability to raise capital and restructure existing debt**

Institutional and retail investor interest in the Company has been low and remains low as demonstrated by the results of the share placement and share purchase plan offers conducted in April and May 2016.

The Directors believe that the main reasons behind this are the Company's high levels of debt, which leave little ability for the Company to raise capital to grow its business and operations, and the lack of liquidity in the Shares.

Importantly, the Company is currently in negotiations with NAB to restructure its debt (see section 1.2 above for further information). Based on the ongoing negotiations, the Directors believe that if the Company is removed from the Official List, it will be in a better position, and it will have greater flexibility, to negotiate a more favourable position on a debt restructure with NAB, than would be the case if it remained on the Official List.

(c) **Listing and related costs**

Given the low level of trading of the Shares on the ASX, the Directors consider that both the financial, administrative and compliance obligations and costs associated with maintaining an ASX listing and the high level of compliance costs are no longer justified or in the best interests of the Shareholders.

The Proposed Removal is not expected to have any adverse effect on the financial position of the Company and it is expected to result in savings of approximately \$250,000 in annual listing, registry, compliance and trading fees.

## 1.5 Potential disadvantages of the Proposed Removal

The Directors believe that the key potential disadvantages of the Proposed Removal are as follows.

### (a) Ability to sell shares and realise investment in the Company

After the Removal Date, the Shares will no longer be traded on the ASX and will only be capable of sale by an off-market private transaction in accordance with the Constitution. Accordingly, the liquidity of the Shares is likely to be further diminished.

If a Shareholder wanted to sell their Shares after the Removal Date, they would be personally responsible for identifying and agreeing terms with potential third party purchasers.

As noted in section 1.4(a) however, the ASX market for the Shares has generally been illiquid over the last 6 months, which the Directors consider has negatively affected the value of the Shares.

### (b) Negative perception of value of the Shares

In general, investors may ascribe a higher valuation to securities of an entity that is listed on a recognised securities exchange such as ASX.

Despite the above however, the Directors do not consider that the Proposed Removal would have any material effect on a valuation of the Company's shares, given the low market prices of the Shares over the past 6 months as set out in section 1.4(a) above and the current financial position of the Company.

### (c) Limited options to raise capital

Generally, unlike a listed public company, an unlisted public company does not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents. Therefore, the main means for the Company (as an unlisted public company) to raise equity funds will be by way of an offer of securities under a full form prospectus or by way of placement to sophisticated and other investors who do not require a prospectus.

### (d) The Listing Rules will no longer apply to the Company

Following the removal of the Company from the Official List, the Company may be relieved from some reporting and disclosure requirements and restrictions, including the removal of restrictions on the issue of Shares by the Company, requirements concerning significant changes to the Company's activities and relief from adherence to ASX Corporate Governance Principles and Recommendations.

The lack of these restrictions may be perceived to be a disadvantage to some Shareholders, particularly minority Shareholders.

The corporate governance requirements that will continue to apply to the Company, following its removal from the Official List, are explained further in section 1.7.

## **1.6 Approvals required for the Proposed Removal**

The Proposed Removal is conditional on ASX's approval and compliance with the conditions which the ASX has imposed as part of its In-principle Decision. Details of the ASX's In-principle Decision and the conditions attaching to the Proposed Removal are described in section 1.1.

The applicable conditions include that the Proposed Removal is approved by an ordinary resolution of Shareholders. Accordingly, the Proposed Resolution will be passed if at least 50% of the votes cast (in person or by proxy) by Shareholders who are entitled to vote at the meeting, are cast in favour of the Proposed Resolution.

## **1.7 Effect of de-listing**

If Shareholders approve the Proposed Resolution, the Company will be removed from the Official List on a date to be determined by ASX, which must be no earlier than the Removal Date. The indicative timetable for the Proposed Removal is set out in section 1.3.

Before the Removal Date, the Shares may continue to be traded on the ASX. After the Removal Date, Shares will only be capable of sale by private transaction, which may present difficulties to Shareholders wishing to sell Shares.

Other additional effects of the Proposed Removal include:

### **(a) Control of the Company**

The removal of the Company from the Official List will not result in, or involve, the cancellation or transfer of any Shares. Accordingly, such removal, by itself, will have no impact on the control of the Company.

### **(b) Business**

Following the Company's removal from the Official List, the Company will conduct its business in the usual course.

### **(c) Effect on creditors**

Having regard to the Company's current, anticipated and contingent financial requirements, the Directors are of the opinion that the Company's removal from the Official List will not adversely impact the rights of the Company's creditors or the ability of the Company to pay its debts as and when they fall due.

As noted above in section 1.4(c), the Directors expect that such removal will result in cost savings for the Company.

(d) **Disclosure of Share price**

The Company's Share price and trading history will no longer be available on the ASX website, in newspapers or available via stock ticker services.

(e) **Continued regulation**

While the Listing Rules will cease to apply to the Company, Shareholders will retain the protections provided to them under the Corporations Act and the Constitution, such as:

- (i) preparing an audited financial report and directors report for each full year and audited or reviewed financial report and directors report for each half year and lodging these with ASIC;
- (ii) sending the financial reports, directors report and auditor's report for each year to each shareholder;
- (iii) conducting an annual general meeting;
- (iv) the acquisition and control of Shares will be subject to the takeovers provisions in Chapter 6 of the Corporations Act;
- (v) substantial shareholders of the Company will be required to give notice to the Company and ASIC of changes to their substantial shareholding(s);
- (vi) shareholder approval will be required for the provision of financial benefits to related parties of the Company under Chapter 2E of the Corporations Act;
- (vii) the Company will be required to give continuous disclosure of material matters by filing notices with ASIC under section 675 of the Corporations Act; and
- (viii) the majority of the provisions of the Constitution will not be affected by the Company ceasing to be listed and there is no present proposal to change the Company's Constitution following the removal of the Company from the Official List.

The list of continued regulations above assumes there will be at least 100 Shareholders in the Company following the removal of the Company from the Official List.

(f) **Exit mechanism and Share trading**

Given the current financial position of the Company, the Directors do not intend to implement a formal buy back or other sale facility for the sale of Shares prior to the Removal Date.

Therefore, Shareholders will be able to trade their Shares on ASX between the date of this Notice of Meeting and the Removal Date.

Shareholders wishing to trade their Shares after this period will be entitled to transfer their Shares off-market to a willing third party purchaser in accordance with the Constitution. Such a third-party market may not be liquid and Shareholders will be personally responsible for identifying and agreeing terms with potential purchasers of their Shares.

**1.8 What happens if the Proposed Resolution is or is not passed**

If the Proposed Resolution is **not** passed, then, unless a subsequent proposed removal of the Company from the Official List is approved by Shareholders, or the ASX determines that the Company's securities should no longer be listed, the Company's securities will remain listed on the ASX.

If the Proposed Resolution is passed, then the Shares will be removed from quotation on the ASX in accordance with the timetable set out in section 1.3 above following satisfaction of the conditions imposed by ASX (see section 1.1 above for these conditions).

**1.9 Director intentions**

Each Director who is a Shareholder intends to vote in favour of the Proposed Resolution.

**1.10 Board recommendation**

The Directors unanimously recommend that Shareholders vote in favour of the Proposed Resolution for the reasons set out in these Explanatory Notes.

# Glossary

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**AEST** means Australian Eastern Standard Time.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Board** means the board of Directors.

**Company** or **Funtastic** means Funtastic Limited ABN 94 063 886 199.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Directors** means the directors of the Company.

**Explanatory Notes** means the explanatory notes accompanying (and forming part of) this Notice of Extraordinary General Meeting.

**In-principle Decision** means ASX's in-principle advice to the Company dated 20 March 2017 in relation to the Proposed Removal.

**Listing Rules** means the official listing rules of the ASX.

**NAB** means National Australia Bank Limited.

**Notice of Extraordinary General Meeting** means this notice of meeting and the accompanying Explanatory Notes.

**Official List** means the official list of the ASX.

**Proposed Removal** means the proposed removal of the Company from the Official List.

**Proposed Resolution** means the resolution set out in this Notice of Extraordinary General Meeting for approval by Shareholders.

**Removal Date** means the date of removal of the Company from the Official List following approval of the Proposed Resolution.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

# Additional Information

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<p><b>Will you be attending?</b></p> <p>To assist our planning, please let us know whether you will be attending the Extraordinary General Meeting by:</p> <p>Email: Penelope.hunter@funtastic.com.au</p> <p>Telephone: 03 8531 0008</p>	<p><b>By Car</b> - 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.</p> <p><b>By Train</b> - 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.</p> <p><b>By Bus</b> - 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.</p>
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#### All Correspondence to:

- By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 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 AEST on Tuesday 2 May 2017.**

### TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/funtasticegm2017](http://www.votingonline.com.au/funtasticegm2017)
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 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 securityholder 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 AEST on Tuesday, 2 May 2017.** 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/funtasticegm2017](http://www.votingonline.com.au/funtasticegm2017)
- By Fax** + 61 2 9290 9655
- By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- In Person** Boardroom Pty Limited  
Level 12, 225 George 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 securityholder) 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 Extraordinary General Meeting of the Company to be held at **Funtastic Head Office, Level 2, Tower 2, Chadstone Place, 1341 Dandenong Road, Chadstone, Victoria on Thursday 4 May, 2017 at 10:00am AEST** 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.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

**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 1    Removal of the Company from the ASX Official List	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>"That, for the purposes of ASX Listing Rule 17.11 and for all other purposes, shareholders approve the Company's removal from the official list of the ASX on a date to be decided by the ASX (being a date no earlier than one month after the date this resolution is passed) and that the Directors be authorised to do all things reasonably necessary or desirable to give effect to the removal of the Company from the official list of the ASX."</i>			

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date    /    / 2017