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Our Reference
261817

For distribution to Members

Dear Members,

2026 Constitutional Amendments

We have been instructed by the Board of Travellers Choice Limited (**Travellers Choice**) to advise on, and draft amendments to, Travellers Choice's Constitution. We have also been instructed to prepare a letter to you clarifying the reasons behind the proposed amendments to the Constitution.

The primary intent behind the proposed amendments have been to allow for the Board to directly appoint eligible Members as Directors, with those appointments to be ratified or not ratified by the members at the next annual general meeting after their appointment.

Travellers Choice has a diverse range of Members with different skills and perspectives, many of whom fulfil the criteria to be elected to the Board as a Director. Over the past few months, Board members have attended in-person meetings with Members throughout Australia to discuss why otherwise eligible Members might be reluctant to nominate themselves as a candidate for a directorship. The most common response was that many Members were concerned about the contested nature of a public election and the pressures associated with not being selected.

While the Board recognises contested elections as a key aspect of democratic governance, the Board is also concerned that the current election process may discourage otherwise talented Members from having the opportunity to contribute to Travellers Choice.

It is for this reason that the Board is proposing a new pathway for Members who have not served on the Board previously to be eligible for an appointment as a Member Director if there is an 'unfilled position' on the Board. That right of appointment must be ratified at a subsequent annual general meeting (**AGM**), ensuring that the ultimate control over the office of Member Directors remains with the Members.

Enclosed with the Notice of Annual General Meeting (which also encloses this letter) are two iterations of the Constitution with the proposed amendments. One version is in tracked changes (to see all proposed changes), whereas the other is in 'clean copy' for ease of review. The amendments consist of:

- amendments to the terms and appointments of directors in clauses 16.2 and the addition of 16.5 to 16.8;
- residual amendments to clause 16, and minor numbering and formatting changes elsewhere, to align with the new drafting; and
- amendments to clause 17.19 to ensure that Board resolutions can occur electronically.

We explain these amendments in more detail below.

Appointment of Member Directors (clause 16)

Clause 16.2, which defines a 'Member Director' has been amended to account for new clauses 16.5 to 16.8, which set out the process by which the Board may directly identify and appoint a Member Director. That process, which is separate to the right of the Board to fill 'casual vacancies', is as follows:

1. (clause 16.5) the Board may appoint a Member Director to fill an Unfilled Position where that individual:

   (a) meets the eligibility criteria to be a director at the date of appointment (see clause 16.13); *and*

   (b) have never served on the Board of Travellers Choice previously.

   The Board cannot appoint more than two Member Directors in this way between AGMs. The intent is to allow Members who have not served on the Board before to have the opportunity to do so.

   An Unfilled Position means a Member Director position that is left unfilled because of a lack of nominations from Members at an AGM or which becomes vacant between AGMs (other than by removal under clause 16.34). An Unfilled Position also occurs if a Member Director is appointed by the Board using this power but their position is not ratified by the Members at the AGM.

   Where enough Members nominate for the positions available at an AGM, the election proceeds in the usual way. The Board's power applies only where there are not enough nominations, or where a position falls vacant between AGMs.

2. (clause 16.6) If a Member is appointed by the Board as a Member Director under clause 16.5, then they hold office from the date of the resolution appointing them until:

   (a) if the Member is appointed to an Unfilled Position because there were not enough nominations at an AGM, until the conclusion of the third AGM after their appointment; *or*

   (b) if the Member is appointed to an Unfilled Position because the position became vacant between AGMs, for the remainder of the former Member Director's term (to ensure that the rotation of Board seats continues).

   Under clause 16.7, however, the appointment of a Member Director by the Board must always be approved by a majority vote of the Members at the next AGM. If the appointment is not ratified by an ordinary resolution of the Members, then the Member Director appointed by the Board will cease to be a Director at the conclusion of that meeting.

   If a Member Director is appointed in this way, at the end of their term (if they wish to continue to serve as a Director) they must stand for election which may be contested if other Members nominate.

While these amendments do grant the Board the power to identify and appoint eligible Members as Directors as an alternative pathway to address the Member concerns raised, that power is always subject to review by the Members at the following AGM.

The remainder of clause 16 has been amended to include references to Director appointments and updated clause references where appropriate.

Electronic Resolutions (clause 17)

Clauses 17.19.3 and 17.19.4 have been added so that Directors may vote in a Board resolution electronically, either by email correspondence or through an electronic portal approved by the Board. In

either case, the text of the proposed resolution must be displayed for the sake of probity in the use of electronic voting.

We hope this satisfactorily provides guidance on the proposed amendments.

Please direct all correspondence to Christian Hunter, Managing Director, if you have any queries in relation to the above.

Yours sincerely
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