

# CORPORATE GOVERNANCE PRINCIPLES

## A. Introduction

The Board of Directors (the "Board") of Booking Holdings Inc. (the "Company"), acting on the recommendation of its Nominating and Corporate Governance Committee, has developed and adopted a set of corporate governance principles (these "Principles") to promote the effective functioning of the Board and its committees, to promote the interests of the stockholders and to ensure a common set of expectations as to how the Board, its various committees, individual directors and management should perform their respective functions. These Principles have been designed to provide, encourage and enable principled actions, effective decision-making and appropriate oversight of legal compliance and business performance. To these ends, directors are expected to be active members of the Board and to maintain high standards of responsibility and ethics.

## B. Board Composition

The composition of the Board should balance the following goals:

1. The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully;
2. The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the effective oversight of the Company's business;
3. A majority of the Board shall consist of directors who are neither officers nor employees of the Company or its subsidiaries (and have not been officers or employees within the previous three years), do not have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and who are otherwise "independent" under all applicable listing standards, laws, rules and regulations, including the rules of The NASDAQ Stock Market LLC ("NASDAQ"), the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules and regulations of the Securities and Exchange Commission (the "SEC").

## C. Selection of Chairperson of the Board and Chief Executive Officer

The Board is free to select its Chairperson and the Company's Chief Executive Officer ("CEO") in the manner it considers in the best interests of the Company at any given point in time. These positions may be filled by one individual or by two different individuals. If the Chairperson of the Board is not an independent director, the Board will appoint an independent director to serve as Lead Independent Director.

## D. Selection of Directors

*Criteria for Nominations and Appointments.* The Nominating and Corporate Governance Committee shall be responsible for identifying and recommending to the Board qualified candidates for Board membership, based primarily on the following criteria and/or personal characteristics:

1. Highest personal and professional ethics and integrity;

2. Relevant business, professional or managerial skills and experience (including team-building and communication skills) useful to the oversight of the Company's business;
3. Demonstrated leadership skills through involvement in business, professional, charitable or civic affairs;
4. Current knowledge and contacts in the markets and communities in which the Company does business and in the Company's industry or other industries relevant to the Company's business;
5. Ability and willingness to commit adequate time to fulfilling Board and committee duties and responsibilities;
6. Ability and willingness to exercise independent judgment, ask probing questions and express tough opinions;
7. The fit of the individual's expertise, skills, knowledge, experience and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company; and
8. Diversity of viewpoints, background, experience and other demographics (such as racial and gender diversity).

*Incumbent Directors for Re-nomination.* The Nominating and Corporate Governance Committee believes qualified incumbent directors are generally uniquely positioned to provide stockholders the benefit of continuity of leadership and seasoned judgment gained through experience as a director of the Company. The value of these benefits may outweigh other factors. Therefore, it is expected that the Nominating and Corporate Governance Committee will generally consider re-nomination of incumbent directors, provided they continue to meet the director qualification criteria described above. However, the Nominating and Corporate Governance Committee may not necessarily nominate eligible incumbent directors for re-election.

*New Director Candidates.* In addition to individuals identified by members of the Nominating and Corporate Governance Committee as potential candidates, the Nominating and Corporate Governance Committee expects that members of the Company's management, current Board members or professional search firms retained by the Nominating and Corporate Governance Committee will from time to time make recommendations regarding potential Board candidates. The Nominating and Corporate Governance Committee shall be responsible for initially assessing whether such a candidate would be "independent" in accordance with these Principles and all applicable listing standards, laws, rules and regulations (taking into account, if applicable, such additional independence requirements specific to membership on specific committees as may be required).

*Stockholder Recommendations.* The Nominating and Corporate Governance Committee shall give appropriate consideration to candidates for Board membership recommended by stockholders to be nominated for election to the Board, and shall evaluate such candidates in the same manner as other candidates identified to or by the Nominating and Corporate Governance Committee. The Secretary of the Company shall promptly forward to the Nominating and Corporate Governance Committee any recommendations so received. The Nominating and Corporate Governance Committee, through the Secretary of the Company, will endeavor to acknowledge its receipt of any timely recommendation received and notify the stockholder of the actions taken with respect to such candidate.

The Board, taking into consideration the recommendations of the Nominating and Corporate Governance Committee, shall be responsible for selecting the nominees for election to the Board by the stockholders and for appointing directors to the Board to fill vacancies, with primary emphasis on the criteria set forth above. The Board, taking into consideration the assessment of the Nominating and Corporate Governance

Committee, shall also make a determination as to whether a nominee or appointee would be "independent" in accordance with these Principles and all applicable listing standards, laws, rules and regulations (taking into account such additional independence requirements specific to membership on specific committees as may be required).

*Invitation.* The invitation to join the Board should be extended by the Board via the Chairperson of the Board and/or CEO of the Company, together with an independent director, when deemed appropriate.

*Orientation of New Directors.* Management, working with the Board, shall provide an orientation process for new directors, including background material on the Company, its business plan and its risk profile, and meetings with senior management.

*Continuing Education of Directors.* The stockholders of the Company are best served by a Board comprised of individuals who are well versed in modern principles of corporate governance and other subject matters relevant to board service, and who thoroughly comprehend the role and responsibilities of an effective board in the oversight and management of the Company.

To this end, all members of the Board are encouraged to attend such director education programs as they deem appropriate (given their individual experiential backgrounds) to stay abreast of developments in corporate governance and "best practices" relevant to their contribution to the Board generally as well as to their responsibilities in their specific committee assignments and other roles.

The Nominating and Corporate Governance Committee will, as part of its annual review of director and officer questionnaires, review each director's education activities during the previous 12-month period. The Nominating and Corporate Governance Committee is authorized to make such director-education recommendations to individual directors as the Nominating and Corporate Governance Committee may deem necessary or appropriate to accomplish the purposes of this policy.

*Change in Director Circumstances.* If there is a change in a director's circumstances that may affect his or her qualifications or independence as a director, the director shall promptly notify the Chairperson of the Nominating and Corporate Governance Committee, who shall review such information and make a recommendation to the Nominating and Corporate Governance Committee and/or the Board of Directors with respect to such director's continued service on the Board and/or on any Board committee.

## **E. Election of Directors; Director Resignation upon Failed Election**

In accordance with, and except as otherwise provided in, the Company's Certificate of Incorporation or By-Laws, each director shall be elected by the vote of the majority of the votes cast at the annual meetings of stockholders; provided, however, that directors shall be elected by a plurality of the votes cast at any annual meeting of stockholders for which the Secretary of the Company determines that the number of nominees exceeds the number of directors to be elected. A majority of votes cast means that the number of shares cast "for" a director's election exceeds the number of withhold votes or against votes cast for that director. The following shall not be votes cast: (a) a share otherwise present at the meeting but for which there is an abstention; and (b) a share otherwise present at the meeting as to which a stockholder gives no authority or direction as to such matter.

If an incumbent director fails to receive the required number of votes for re-election, the director shall, promptly following such meeting of stockholders, tender his or her resignation. If an incumbent director fails to receive the required vote for re-election, then, within 90 days following certification of the stockholder vote, the Nominating and Corporate Governance Committee will act to determine whether to recommend that the Board accept the director's resignation and will submit such recommendation for prompt consideration by the Board, and the Board will decide and act on the matter in its discretion after receipt of

the Nominating and Corporate Governance Committee's recommendation. The Nominating and Corporate Governance Committee and the Board may consider any factors they deem relevant in deciding whether to reject or accept a director's resignation.

Except as provided below, any director who tenders his or her resignation pursuant to this provision shall not participate in the Nominating and Corporate Governance Committee recommendation or Board action regarding whether to accept the resignation offer.

The Board will disclose promptly its decision regarding whether to accept or reject the director's resignation offer and its rationale for such decision in a Form 8-K furnished to the SEC.

If each member of the Nominating and Corporate Governance Committee fails to receive the required vote in favor of his or her election in the same annual meeting of stockholders, then those independent directors who did receive the required vote shall appoint a committee among themselves to consider the resignation offers and recommend to the Board whether to accept them.

If each independent director fails to receive the required vote in favor of his or her election in the same annual meeting of stockholders, then all directors may participate in the action regarding whether to accept the resignation offers.

## **F. Board and Committee Meetings**

The Board currently plans at least five meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board. The Board encourages free and open discussion and communication between the members of the Board both during Board meetings and between regularly scheduled meetings.

Each Committee shall have the number of meetings provided for in its charter or, in the absence of a provision in the committee charter, the number of meetings deemed necessary by the members of the Committee.

The agenda for each Board meeting shall be established by the Chairperson of the Board, in consultation with the CEO (if not the Chairperson), the Lead Independent Director (if a Lead Independent Director has been named) and appropriate members of management. Any Board member may suggest the inclusion of additional subjects on the agenda. The agenda for each Committee meeting shall be established by the Committee chairperson in consultation with appropriate members of the Committee and with management. Management will seek to provide to all directors an agenda and appropriate materials in advance of meetings, although the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business and that in certain cases it may not be possible.

Materials presented to the Board or its committees should be as concise as possible, while still providing the desired information needed for the directors to make an informed judgment.

## **G. Independent Director Executive Sessions**

To ensure free and open discussion and communication among the independent directors of the Board, the independent directors shall have at least two regularly scheduled executive sessions each year, and more frequently as necessary or desirable, in conjunction with regularly scheduled meetings of the Board, at which only independent directors are present. The Lead Independent Director of the Board shall set the agenda for and lead the meetings and executive sessions of the independent directors of the Board.

## **H. The Committees of the Board**

The Company shall have at least the committees required by all applicable listing standards, laws, rules and regulations. Such committees shall be comprised of members meeting the applicable qualifications, including the "independence" requirements under these Principles and all applicable listing standards, laws, rules and regulations (taking into account such additional independence requirements specific to membership on specific committees as may be required).

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give a periodic report of his or her committee's activities to the Board. The required qualifications for the members of each committee shall be set out in the respective committee's charter. A director may serve on more than one committee for which he or she qualifies.

## **I. Management Succession**

At least annually, the Nominating and Corporate Governance Committee shall review and concur on a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO. At least annually, the Compensation Committee shall review and concur on succession plans, developed by management, with respect to senior management personnel (other than the CEO), addressing the policies and principles for selecting successors to such senior management personnel, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors.

## **J. Executive Compensation**

1. *Evaluating and Approving Compensation for the CEO.* The Compensation Committee comprised solely of independent directors meeting in executive session evaluates the performance of the CEO and the Company against the Company's goals and objectives, and determines, or recommends to the Board for determination, the compensation of the CEO.
2. *Evaluating and Approving Compensation of Management.* The Compensation Committee evaluates and determines the compensation policies applicable to, and the compensation of, executive officers.

## **K. Board Compensation**

The Board should conduct a periodic review of the components and amount of Board compensation in relation to other similarly situated companies. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity.

## **L. Expectations of Directors**

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with Delaware law. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. The Board has developed a number of

specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. *Commitment and Attendance.* All independent and management directors should make every effort to attend meetings of the Board, meetings of committees of which they are members and the annual meeting of stockholders. Members may attend by telephone to mitigate conflicts.
2. *Participation in Meetings.* Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.
3. *Loyalty and Ethics.* In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interests possessed by a director.

The Company has adopted, among other things, an *Insider Trading Policy*, a *Selective Disclosure Policy* and a *Code of Conduct*, including a compliance program to enforce each of these policies. Certain portions of these policies deal with activities of directors, particularly with respect to transactions in the securities of the Company, potential conflicts of interest, the taking of corporate opportunities for personal use, and competing with the Company. Directors should be familiar with the provisions of each of these policies and should consult with the Company's General Counsel in the event of any questions or issues.

4. *Other Directorships.* The Company values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a director's time and availability and may present conflicts or legal issues. Directors should advise the Chairperson of the Nominating and Corporate Governance Committee and the CEO before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses or governmental units. Directors should not serve on more than four public company boards, subject to waiver by the Nominating and Corporate Governance Committee, but in no event will a director sit on more than five public company boards. A director who serves as CEO of the Company may not sit on more than two public company boards in addition to the Board. In addition, no director is eligible to serve on the Audit Committee if he or she serves on more than two other public company audit committees.
5. *Contact with Management.* All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. All directors will have reasonable access to members of management, but will endeavor to contact the CEO in advance of contacting members of management, (a) unless such notification to the CEO would be inconsistent with the purpose of contacting the member of management or (b) unless such direct contact without notification is consistent with past practice or the specific responsibilities of either that member of management or a Board committee on which such director serves. For example, members of the Audit Committee may contact the Chief Financial Officer in furtherance of the Audit Committee's responsibilities. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings.

Further, the Board encourages management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

6. *Authority to Retain Advisors and Conduct Investigations.* The Board shall have the authority to retain advisors and conduct investigations for any matter relating to the responsibilities of the Board.
7. *Oversight of Risk.* The Board is responsible for oversight of the Company's risk management activities, including the identification and assessment of the key risks facing the Company among the universe of business risks (e.g., strategic, operational, financial, privacy and data protection, security and technology, and legal, regulatory and compliance risks). The Board may delegate primary responsibility for overseeing certain risks to specific Board committees.
8. *Contact with Other Constituencies.* It is important that the Company speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. If a situation does arise in which it seems necessary for a non-management director to speak on behalf of the Company to one of these constituencies, the director should do so only in accordance with these Principles, any policy or assigned responsibility approved by the Board or with the prior approval of the Board.
9. *Confidentiality.* The proceedings, meetings and deliberations of the Board and its committees, and materials related thereto or provided in connection therewith, are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director. If a director receives a legal request for any such information, the director shall promptly notify the Company's General Counsel, and in any event prior to disclosing any such information.

## **M. Independence / Evaluating Related Party Transactions**

The Board will carefully consider all relevant facts and circumstances in making an independence determination. To be considered "independent" for purposes of these Principles, the Director must meet the independence standards under all applicable listing standards, laws, rules and regulations. In this regard, the Board must affirmatively determine that the Director otherwise has no material relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Audit Committee of the Board reviews, and must approve or ratify, all relationships and transactions in which the Company participates and in which any related party has a direct or indirect material interest and the transaction involves or is expected to involve payments of \$120,000 or more in the aggregate per fiscal year (which transactions shall be defined and determined to mean those required to be disclosed pursuant to Item 404 of Regulation S-K under the Securities Act of 1933). The Company's legal staff is primarily responsible for gathering information from the directors and executive officers. Related person transactions are generally identified in:

1. questionnaires annually distributed to the Company's directors and executive officers;
2. certifications submitted annually by the Company's executive officers and directors related to their compliance with the Company's *Code of Conduct*; and
3. communications made directly by the related person to the General Counsel.

As required under SEC rules, transactions that are determined pursuant to Item 404 of Regulation S-K to be directly or indirectly material to the Company or a related party are disclosed in the Company's proxy

statement. In addition, the Audit Committee reviews and approves or ratifies any related person transaction that is required to be disclosed. In the course of its review and approval or ratification of a disclosable related party transaction, the Audit Committee will consider:

1. the nature of the related person's interest in the transaction;
2. the material terms of the transaction, including, without limitation, the amount and type of transaction;
3. the importance of the transaction to the related person;
4. the importance of the transaction to the Company;
5. whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; and
6. any other matters the Audit Committee deems appropriate.

Any member of the Audit Committee who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction, provided, however, that such director may be counted in determining the presence of a quorum at a meeting that considers the transaction.

In assessing the independence of directors and the materiality of any relationship with the Company and the other organization, the Board has determined that a relationship in the ordinary course of business involving a sale, purchase, licensing or leasing of property (including tangible and intangible property (such as software)) or services will not be deemed material if the amounts involved, on an annual basis, do not exceed the lesser of 1% of the Company's consolidated gross profit or 1% of the consolidated gross revenues of the other organization involved.

## **N. Evaluating Board and Committee Performance**

The Board will conduct a self-evaluation at least annually to determine whether it is functioning effectively. In connection with such a self-evaluation, the Board will consider the diversity of the Board members and whether the mix of experience and expertise among Board members continues to be appropriate for the Company. The Chairperson of the Nominating and Corporate Governance Committee will be responsible for designing a process for the Board to conduct a self-evaluation and the Chairperson of the Board will be responsible for execution of the self-evaluation. In addition, each Committee will conduct a self-evaluation at least annually to, among other things, compare the performance of the Committee with the requirements of its charter and should recommend to the Board any improvements to its charter it deems necessary or desirable.

## **O. Reliance on Management and Outside Advice**

In performing its functions, the Board and its committees are entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board and its committees shall have the authority to retain and approve the fees and retention terms of its outside advisors.



## P. Stockholder Communications

Stockholders of the Company may communicate with the Board, a committee of the Board, or the Board's non-employee or independent directors as a group, by following the procedures below:

1. Send written correspondence to the Booking Holdings Inc. Board of Directors, c/o Office of the General Counsel, Booking Holdings Inc., 800 Connecticut Avenue, Norwalk, Connecticut 06854.
2. Please indicate how many shares of Booking Holdings Inc. common stock you own as of the date of your communication.

The Board believes that it is, in general, the responsibility of management to speak for the Company. However, on a case by case basis and where appropriate, if requested by major stockholders, the Chairperson of the Board and/or the Lead Independent Director may be available for consultation and direct communication.

## Q. Stock Ownership Guidelines

In order to further align the interests of the Company's senior executives and members of the Board with the interests of stockholders and further promote the Company's commitment to sound corporate governance, the Board has adopted the following stock ownership guidelines (the "Stock Ownership Guidelines"), which set parameters for stock ownership by executive officers and members of the Board.

1. *Covered Individuals.* The Stock Ownership Guidelines apply to the following individuals (each, a "Covered Individual"):
  - CEO
  - Non-employee members of the Board; and
  - Section 16 Officers.
2. *Ownership Guidelines.* The Stock Ownership Guidelines require the following ownership targets of shares of the Company's common stock ("Shares") for the Covered Individuals:

<b><u>Covered Individual</u></b>	<b><u>Ownership Target</u></b>
CEO	Lesser of (i) 15,000 shares or (ii) Shares valued at \$5 million
Section 16 Executive Officers other than the CEO	Lesser of (i) 5,000 shares or (ii) Shares valued at three (3) times base salary
Non-employee members of the Board	Lesser of (i) 2,500 Shares or (ii) Shares valued at \$350,000

A Covered Individual whose stock ownership is below the ownership target will be required to retain a minimum of 25% of the estimated number of Shares received on an after-tax basis (if any shares are withheld to cover withholding taxes) from the exercise of stock options, the vesting of restricted shares or restricted stock units, performance share units or the settlement of any other stock-based equity award under a Company equity incentive plan until the applicable ownership target is

reached. Subject to the discretion of the Nominating and Corporate Governance Committee of the Board, a Covered Individual's failure to meet or show sustained progress toward meeting the applicable ownership target may result in a reduction in future long-term incentive grants or an obligation to refrain from the sale of a higher percentage of stock attained through Company equity awards; provided, however, that the sale of Shares pursuant to a Covered Individual's 10b5-1 plan that was established prior to the Effective Date shall not be subject to the retention requirement referred to above.

3. *Measurement.* For purposes of compliance with ownership targets under the Stock Ownership Guidelines, a Covered Individual's target will be measured at such time as the Nominating and Corporate Governance Committee of the Board determines to be appropriate. The Nominating and Corporate Governance Committee of the Board shall adopt such procedures, as it determines to be appropriate, to determine compliance with any target expressed as a dollar amount. Once a Covered Individual has met ownership targets under the Stock Ownership Guidelines, such Covered Individual will be expected to continue to comply with the ownership targets, except when it is determined by the Nominating and Corporate Governance Committee of the Board, as described below, that compliance would create severe hardship or prevent a Covered Individual from complying with a court order.

4. *Eligible Securities:*

- Shares owned outright by the Covered Individual or by an immediate family member residing in the same household as the Covered Individual; and
- Shares held in trust for the benefit of the Covered Individual.

Unvested stock options, stock options that have vested but have not been exercised, and unvested stock-based equity awards are not eligible securities for purposes of calculating ownership targets under the Stock Ownership Guidelines. However, vested stock-based equity awards that members of the Board have properly elected to defer in accordance with the terms of their grant agreements and applicable law will be considered eligible securities for such purposes.

5. *Administration.* The Stock Ownership Guidelines are administered and interpreted by the Nominating and Corporate Governance Committee of the Board. The Committee may delegate to management the responsibility for providing data regarding a Covered Individual's compliance with the Stock Ownership Guidelines.

If the Stock Ownership Guidelines would place a severe hardship on a Covered Individual or prevent such Covered Individual from complying with a court order, the Covered Individual shall submit a written explanation of the particular hardship to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee, in its sole discretion, shall make a determination regarding any revised ownership target or temporary relief from existing ownership targets for such Covered Individual.

Adopted: February 22, 2018