



# **CORPORATE GOVERNANCE PRINCIPLES**

## **A. Introduction**

The Board of Directors (the "Board") of Booking Holdings Inc. (the "Company"), acting on the recommendation of its Corporate Governance Committee, has developed and adopted these corporate governance principles ("Principles") to promote the effective functioning of the Board and its committees, to promote the interests of stockholders, and to ensure a common set of expectations as to how the Board, its committees, directors, and management should perform their respective functions. These Principles are 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, and diversity of viewpoints, background, experience, and perspectives relevant to the effective oversight of the Company's business; and
3. A majority of the Board will 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, as amended (the "Exchange Act"), and the rules and regulations of the Securities and Exchange Commission (the "SEC").

## **C. Selection of Chair of the Board and Chief Executive Officer**

The Board is free to select its Chair 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 Chair 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 Corporate Governance Committee will 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 of 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. 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, knowledge, and perspectives.

*Incumbent Directors for Re-nomination.* The Board 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 Board and the Corporate Governance Committee will generally consider re-nomination of incumbent directors, provided they continue to meet the director qualification criteria described above. However, the Board and the 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 Corporate Governance Committee as potential candidates, the Corporate Governance Committee expects that members of the Company's management, current Board members, or professional search firms retained by the Corporate Governance Committee will from time to time make recommendations regarding potential Board candidates. The Corporate Governance Committee will 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). The Corporate Governance Committee and the Board are committed to actively seeking out candidates with diverse viewpoints, backgrounds, experiences, knowledge, and perspectives.

*Stockholder Recommendations.* The Corporate Governance Committee will give appropriate consideration to candidates recommended by stockholders to be nominated for election to the Board, and will evaluate such candidates in the same manner as other candidates identified to or by the Corporate Governance Committee. A stockholder that desires to nominate a candidate to the Board must follow the procedures described in the Company's By-Laws. The Secretary of the Company will promptly forward to the Corporate Governance Committee any recommendations so received. The 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 Corporate Governance Committee, will 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 Corporate Governance Committee, will also make a determination as to whether a nominee or appointee would be "independent" in accordance with these Principles and applicable listing standards, laws, rules, and regulations (including such additional independence requirements related to membership on specific committees).

*Invitation.* Any invitation to join the Board should be extended by the Board via the Chair of the Board, the Lead Independent Director, and/or the CEO of the Company, or as the Board or the Corporate Governance Committee deem appropriate.

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

## **E. Term and Tenure**

The Board does not believe in a specific limit for the overall length of time an independent director may serve. Although re-nomination of incumbent directors is not automatic, directors who have served on the Board for a meaningful period of time can provide valuable insight into the operations and future of the Company based on their experience with, and understanding of, the Company's history, policies, and objectives.

## **F. Director Orientation and Continuing Education**

*Orientation of New Directors.* Management, working with the Board, will provide an orientation process for new directors, including background material on the Company, its business plan and 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 Corporate Governance Committee will review, at least annually, each director's education activities during the previous 12-month period. The Corporate Governance Committee is authorized to make such director-education recommendations to individual directors as it may deem necessary or appropriate to accomplish the purposes of this policy.

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

*Election of Directors.* In accordance with, and except as otherwise provided in, the Company's Certificate of Incorporation or By-Laws, each director will be elected by the vote of the majority of the votes cast at the annual meeting of stockholders; provided, however, that directors will 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 will 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.

*Director Resignation upon Failed Election.* If an incumbent director fails to receive the required number of votes for re-election, the director will, promptly following such meeting of stockholders, tender their 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 Corporate Governance Committee will determine whether to recommend that the Board accept the director's resignation and submit such recommendation for prompt consideration by the Board, and the Board will act on the matter in its discretion after receipt of such recommendation. The 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 their resignation pursuant to this provision will not participate in the 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 Corporate Governance Committee fails to receive the required vote in favor of election in the same annual meeting of stockholders, then those independent directors who did receive the required vote will 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 election in the same annual meeting of stockholders, then all directors may participate in the action regarding whether to accept the resignation offers.

## **H. 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 during Board meetings and between regularly scheduled meetings.

Each committee will 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. Each committee will maintain minutes of its meetings and records relating to such meetings.

The agenda for each Board meeting will be established by the Chair of the Board, in consultation with the CEO (if not the Chair), the Lead Independent Director (if 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 will be established by the committee chair in consultation with appropriate members of the committee and management. Management will seek to provide to all directors an agenda and appropriate materials in advance of meetings.

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

## **I. Independent Director Executive Sessions**

To ensure free and open discussion and communication among the independent directors of the Board, the independent directors will have at least two regularly scheduled executive sessions at which only independent directors are present each year. The Chair of the Board, unless the Chair is not

independent, in which case, the Lead Independent Director, will set the agenda for and lead such meetings and executive sessions.

## **J. Committees**

The Company will have at least the committees required by applicable listing standards, laws, rules, and regulations. Such committees will be comprised of members meeting the applicable qualifications, including the "independence" requirements under these Principles and 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 such chair's 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 such committee's activities to the Board. The required qualifications for the members of each committee will be set out in the respective committee's charter. A director may serve on more than one committee for which such director qualifies.

## **K. Management Succession**

At least annually, the Corporate Governance Committee will 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 Board will review and concur on the Corporate Governance Committee's recommended succession plan for the CEO. 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 will 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.

## **L. Executive Compensation**

1. *Evaluating and Approving Compensation for the CEO.* The Compensation Committee, comprised solely of independent directors meeting in executive session, will evaluate the performance of the CEO and the Company against the Company's goals and objectives, and determine or recommend to the Board for determination the compensation of the CEO.
2. *Evaluating and Approving Compensation of Management.* The Compensation Committee will evaluate and determine the compensation policies applicable to, and the compensation of, executive officers as defined under Exchange Act Rule 3b-7 ("Executive Officers").

## **M. Board Compensation**

The Compensation Committee will conduct a periodic review of the components and amount of Board compensation, and make such recommendations to the Board regarding such compensation as it deems appropriate. The Board determines its compensation after considering any recommendations by the Compensation Committee. 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.

## **N. Expectations of Directors**

The business and affairs of the Company will be managed by or under the direction of the Board in accordance with Delaware law. In performing their duties, the primary responsibility of directors is to exercise their business judgment in the best interests of the Company. The Board has 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 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 or videoconference 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 such director serves. Upon request, management will make appropriate personnel available to answer 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, such as those arising from the Clayton Act prohibition on directors serving on boards of competing companies. Directors should advise the Chair of the 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 Corporate Governance Committee, but in no event will a director sit on more than five public company boards (including the Company Board). A director who serves as a Chief Executive Officer of a public company (including the CEO of the Company) may not sit on more than one public company board in addition to the Board, subject to waiver by the Corporate Governance Committee. In addition, Audit Committee members may not serve on more than three public company audit committees in total (including the Company's Audit Committee).

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 any of the Chief Financial Officer, the Chief Accounting Officer, the senior member of the Company's internal audit function, or the Chief Compliance Officer in furtherance of their committee responsibilities. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management.

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 senior management believes should be given exposure to the Board.

6. *Authority to Retain Advisors and Conduct Investigations.* The Board has 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 key business risks facing the Company (e.g., strategic, operational, financial, privacy and data protection, cybersecurity and technology, and legal, regulatory, and compliance risks). The Board may delegate primary responsibility for overseeing certain risks to specific Board committees or subcommittees.

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 arises 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 Chair of the Board, or with the prior approval of the Chair 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 will maintain the confidentiality of information received in connection with such director's service as a director. If a director receives a legal request for any such information, prior to disclosing any information the director will promptly notify the Company's General Counsel.

## **O. 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, a Director must meet the independence standards under applicable listing standards, laws, rules, and regulations. 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 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, where the transaction involves or is expected to involve payments of \$120,000 or more in the aggregate per fiscal year (which transactions will 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 party transactions are generally identified in:

1. questionnaires distributed annually to the Company's directors and Executive Officers;
2. certifications submitted annually by the Company's directors and Executive Officers related to their compliance with the Company's *Code of Conduct*; and
3. communications made directly by the related party 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 party 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 party'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 party and the Company;
4. whether the transaction would impair the judgment of a director or Executive Officer to act in the best interest of the Company; and
5. 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, license, or lease 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 revenues and 1% of the consolidated revenues of the other organization involved.

## **P. 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 Chair of the Corporate Governance Committee will be responsible for designing a process for the Board to conduct a self-evaluation and 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 will recommend to the Board any improvements to its charter it deems necessary or desirable.

## **Q. 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 will have the authority to retain and approve the fees and retention terms of its outside advisors.

## R. 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 established by the Board. The Company will disclose the process by which communications can be sent to the Board (a) on its website ([www.bookingholdings.com](http://www.bookingholdings.com)) in the "For Investors" section under the tab "Governance" and (b) in its annual proxy statement.

## S. 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 as defined under Exchange Act rule 16a-1(f) ("Section 16 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:

<u>Covered Individual</u>	<u>Ownership Target</u>
CEO	Lesser of (i) 15,000 shares and (ii) Shares valued at \$5 million
Section 16 Officers other than the CEO	Lesser of (i) 5,000 shares and (ii) Shares valued at three (3) times base salary

Non-employee members of the Board

Shares valued at ten (10) times annual cash retainer (excluding any special retainers for service on any committee, as chair of the Board or a committee, as lead independent director, for extra meetings, or otherwise)

A Covered Individual whose stock ownership is below the ownership target will be required to retain a minimum of 50% 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 Corporate Governance Committee, 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 valid 10b5-1 plan that was established prior to the person becoming subject to these stock ownership guidelines will not be subject to the retention requirement referred to above. In lieu of receiving cash compensation approved by the Board, non-employee members of the Board may elect to receive equivalent compensation in Shares.

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 and in such a manner as the Corporate Governance Committee determines to be appropriate. 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 determined by the Corporate Governance Committee as set forth below.

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 Covered Individuals 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 Corporate Governance Committee. The Corporate Governance 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 will submit a written explanation of the particular hardship to the Corporate Governance Committee. The Corporate Governance Committee, in its sole discretion, will make a determination regarding any revised ownership target or temporary relief from existing ownership targets for such Covered Individual.

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