Thursday 28th September 2021

Dear Compensation Committee,

We are writing to you as shareholders regarding your decision to adjust 2020 compensation for named executives due to the exceptional circumstances created by Covid-19. We note that in particular:

- Mr Fogel voluntarily declined his salary beginning in March and that Mr Goulden and Mr Millones voluntarily reduced their salaries by 20% from June through the end of 2020.
- Mr Fogel received no bonus for 2020 and Mr Goulden and Mr Millones received 70% of their targets e.g. USD882k and USD705k respectively.
- Mr. Fogel and Mr. Millones were awarded USD7m and USD2.25m in RSUs corresponding to 50% of the grant value of their 2019 PSUs.
- Mr. Goulden was awarded a bespoke type of PSUs, called 'Strategic PSUs' for a value of respectively USD10m and USD7m leading to his awarded pay in 2020 jump to $24m from $5m in 2019.

Following our first letter sent out on 17th June 2021 as well as the conference call with John Longstreet on 23rd September 2021, we confirm that we think that the compensation practices are not in the best interest of shareholders and would like to make the following recommendations.

Fair communication when speaking to media. Even if Booking Holdings abide by its disclosure obligations, we question the way it has been communicated to the media. In an interview to CNBC on 5th October 2020, the company's CEO alluded to his fixed pay cut as well as the ones of some other managers directly reporting to him but did not mention the USD10m retention plan awarded to the company's CFO. We would have expected an unbiased communication about the change in package rather than focusing only on the part of the remuneration package which was reduced. Also, it may be expected that the 2020 stock awards for the CEO and the General Counsel which became effective on 12th November 2020 were already contemplated or under discussion when the CEO was interviewed.

Capping the total compensation to the minimum of one third of the compensation earned in the previous year and one third of the average of the remuneration earned in the previous five years. Travel is an industry prone to regularly bearing the consequences of extraordinary but often temporary events. There should be a mechanism to make sure that salary and bonus cuts are not offset by awards done at a time when the share price is depressed. We recommend a cap to the top management's compensations which make clear that there is an actual cut to money being paid. We recognise that Covid-19 was beyond the company's control, but this is also true for the dovish monetary policy and the recovery in share price that followed.

Working on key person risk. Speaking with Mr Longstreet, we understand that the awards were also allocated to improve the retention rate of some individuals. We recognise that the labour market is competitive but if one year of poor performance is enough to make executives leave, it is worth questioning the structure of the remuneration package. Moreover, it makes us worried that Booking Holdings does not have appropriate contingency plans if someone leaves in such context. One of the responsibilities of the Compensation Committee is to review 'the policies, programs and initiatives related to human capital management within the workforce'. We think that there needs to be plans in

TRIUM
CAPITAL

60 Gresham Street, Level 4, London EC2V 7BB, United Kingdom
T +44 (0)20 7073 9250 E info@trium-capital.com W trium-capital.com

place in case one executive plans to leave the company. We believe there is a contradiction in the fact that executives have their compensation packages partly dependent on succession planning objectives while at the same time retaining such a strong bargaining power with the company.

Understanding the consequences of the massive redundancy plan. We recommend that the Compensation Committee examines the consequences in terms of know-how, goodwill and impact on the remaining employees of letting such a high proportion of the staff go. It is documented that quantifiable costs (redundancy costs and rehiring) and unquantifiable costs (loss of productivity) often offsets the direct gains of reducing the workforce over the long term. The Compensation Committee has a bigger role than evaluating compensation packages of executives, and we recommend that they write a regular report on human capital management in particular the management of careers, evolution of attrition rates, and key policies that are implemented to maintain a stable work force. Symbolically, the Compensation Committee could be renamed Compensation and Human Capital Committee.

Beyond the situation created by the pandemic, we would recommend the following step is taken:

Implementing environmental non-financial metrics for executive compensation packages. Executive compensation packages should have non-financial metrics that relate to scope 3 reduction incentives (in addition to goals already included related to the brand, capital management goals and executive retention and succession planning objectives). We are aware that Booking has reached carbon neutrality in 2020 and scope 1 and scope 2 emissions are low in terms of carbon intensity, however the largest climate risk to the business is inevitably scope 3 emissions (upstream and downstream emissions via hotel/properties/airlines/ car rental). Statements such as "The Company is an Internet company that provides online travel and related services and does not directly provide accommodation or travel services to its customers. Nevertheless, as a member of the global travel industry, the Company is committed to reducing carbon footprint and promoting sustainable tourism…" (Proxy Statement 2021, p105) seem outdated and not in line with the current global climate reduction objectives where scope 3 is included. Given that Booking is currently working on the Science Based Targets due at the end of the year, we recommend pairing these goals with non-financial compensation metrics in order to incentivize the Board to deliver results in this matter.

Best regards,

Raphael Pitoun

For and on behalf of Trium Sustainable Innovators