PRICELINE.COM INC AGM Date: 2013-06-03

1.01 Elect Tim Armstrong	**For**
1.02 Re-elect Howard W. Barker, Jr Non-Executive Director. Independent by the Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independent representation on the Board as a whole.	**Withhold**
1.03 Re-elect Jeffery H. Boyd Chairman, President and Chief Executive Officer. Combined roles at the top of the Company. It is considered to be best practice for these positions to be separated with a Chief Executive responsible for the running of the business and the Chairman responsible for the functioning of the Board.	**Withhold**
1.04 Re-elect Jan L. Docter Non-Executive Director. Independent by the Company, but not considered to be independent as he served as a consultant for Booking.com, of which priceline.com is the parent company. There is insufficient independent representation on the Board as a whole.	**Withhold**
1.05 Re-elect Jeffrey E. Epstein Non-Executive Director. Independent by the Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independent representation on the Board as a whole.	**Withhold**
1.06 Re-elect James M. Guyette Lead Director. Independent by the Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independent representation on the Board as a whole.	**Withhold**
1.07 Re-elect Nancy B. Peretsman Non-Executive Director. Independent by the Company, but not considered to be independent as she has served on the Board for more than nine years. There is insufficient independent representation on the Board as a whole.	**Withhold**
1.08 Elect Thomas E. Rothman	**For**
1.09 Re-elect Craig W. Rydin	**For**
2 Appoint the auditors	**For**
3 Approve Pay Structure The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of our opinion on the adequacy of disclosure, the balance of performance and reward	**Oppose**

and the terms of executive employment.
The Company does not disclose the targets for the annual bonus which does allow for an assessment as to whether or not the goals are sufficiently challenging.
Performance targets are not considered challenging and duplicate those for annual bonuses which can potentially lead to executives being rewarded twice for the same performance.
There are significant concerns with the change in control provisions which could lead to vesting of equity awards upon a change in control. There are further concerns that the amounts payable on a change in control could exceed three times salary which is excessive.
Based upon this rating we oppose.

4 Approve amendments to the Omnibus plan **Oppose**

The Board is seeking stockholder approval for the amended and restated Priceline.com Incorporated 1999 Omnibus Plan. As of March 31, 2013, there remained 447,256 shares unallocated and available for future issuance under the Plan. In view of the critical importance of the Plan, the Board proposes that the Plan be amended to increase the maximum number of shares of common stock reserved for the grant or settlement of awards under the Plan from 9,195,833 to 11,595,833, subject to adjustment pursuant to the terms of the Plan.
There are concerns with the Plan as it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. Additionally, the performance targets, for awards granted under the plan that are performance based, are not disclosed which prevents shareholder assessment whether future payouts will be commensurate with performance. In addition, the increase of shares authorized for issuance by 2,400,000 equates to 4.7% of the 50,060,195 shares outstanding, which is considered to be dilutive over time. The maximum award is also considered to be excessive with 1,250,000 shares per person per year with a share price of $798.03 on the 23rd of May 2013. For these reasons, we oppose

5 Shareholder proposal: acceleration of vesting in the event of a change in control **For**

Proposed by: Mr. John Chevedden.
The proponent asks the board of directors to adopt a policy that in the event of a change in control, there shall be no acceleration of vesting of any equity award granted to any senior executive, provided, however, that the board's Compensation Committee may provide in an applicable grant or purchase agreement that any unvested award will vest on a partial, pro rata basis up to the time of the senior executive's termination, with such qualifications for an award as the Committee may determine.
The proponent believes that vesting of equity pay over a period of time is intended to promote long-term improvements in performance and that the link between executive pay and longterm performance can be severed if such pay is made on an accelerated schedule. The proponent has concerns as the executive pay committee is free to increase bonus payouts regardless of performance, as the equity plan does not have individual maximum amounts, as the company has not yet

implemented clawback provisions to recoup unearned pay due to fraud and as Mr. Boyd is entitled to a potential $47 million payment under a change in control.

The Board of Directors opposes this proposal for the following reasons: 1. The Proposal is unnecessary as the Compensation Committee already generally follows the requested policy when granting equity awards to senior executives; 2. The Proposal is unwise in that it would unnecessarily limit the Compensation Committee's flexibility in structuring equity awards to senior executives to address changing market or Company conditions, ensure alignment of interests between senior executives and stockholders or attract, retain, motivate and incentivize senior executives; 3. The Proposal is vague in that it does not indicate the pro-rata vesting method that the stockholders would be requesting, and therefore any resulting policy implemented by the Board of Directors and the Compensation Committee may not conform to what any particular stockholder or group of stockholders had in mind when voting in favor of the Proposal.

Whilst the company has recently introduced a claw-back policy, the acceleration of unvested stock pursuant to a change in control where there is no reference to performance is not supported. As such, we a vote for this proposal.