

Sabre Holdings Corporation
Corporate Governance Policy



Corporate Governance Guidelines
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Corporate Governance Guidelines

1. Purpose of Corporate Governance Guidelines

The Board of Directors (the "Board") of Sabre Holdings Corporation (the "Corporation") has adopted this statement of Corporate Governance Guidelines as part of its comprehensive Corporate Governance Policy, in order to disclose to the Corporation's stockholders, and to other interested stakeholders and constituencies, certain principles by which the Board governs the Corporation.

2. Mission of the Board of Directors

The mission of the Board of Directors is to provide strategic guidance to the Corporation's management, to monitor the performance and ethical behavior of the Corporation's management, and to maximize the long-term financial return to the Corporation's stockholders, while considering and appropriately balancing the interests of other stakeholders and constituencies.

3. Director Qualification Criteria

The criteria considered in evaluating potential Director candidates include characteristics such as:

- integrity,
- ability to objectively analyze complex business problems and develop creative solutions,
- pertinent technological, political, business, financial or social/cultural expertise and experience,
- achievement in education, career and community,
- familiarity with issues affecting the Corporation's businesses,
- availability to fulfill time commitment,
- independence from management,
- ability to work well with other Directors,
- contribution to the Board's desired and diversity and balance.

4. Director independence

The Board has defined an "independent director" as a Director who meets all of the criteria described in this section 4. Because all of the non-management Directors serve on each of the three principal committees (Audit, Compensation, and Governance and Nominating), all non-management Directors are expected to meet both the New York Stock Exchange ("NYSE") **corporate governance listing standards** for director independence and the Securities and Exchange

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Commission ("SEC") **standards related to listed company audit committees** as well as additional independence standards established by the Board.

(a) Director independence criteria

An independent director has no relationships with the Corporation or any of its consolidated subsidiaries (collectively called "the Company") that would interfere in the exercise of independent judgment as a Director, including without limitation the relationships described in this section 4(a)

- An independent director is not, and has not within the previous three years been, an employee or member of management of the Company (excluding service as an interim Chairman, CEO or executive officer^{**}), and is not serving as a director of any of the Corporation's direct or indirect majority-owned subsidiaries.
- A independent director has no immediate family member[†] who is, or has within the previous three years been, an executive officer of the Company.
- An independent director is not an affiliate[‡] of, and has no material relationship with, the Company (either directly or as a partner, or officer of an organization that has a relationship with the Company).[§]
- An independent director has not, and has no immediate family member that has, directly or indirectly^{**}, accepted or agreed to accept from the Company any consulting, advisory, or other compensatory fee except fees received for service as a director.
- An independent director has not, and has no immediate family member who has, received from the Company within the current year or any

^{**} "Executive officer" has the meaning defined in Rule 3(b)(7) under the Securities Exchange Act of 1934.

[†] An "immediate family member" of a person includes that person's spouse, parents, children, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, any anyone (other than domestic employees) who shares that person's home.

[‡] "Affiliate" and "affiliated" have the meanings defined in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934.

[§] "Material relationships" can include, for example, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships.

^{** **} For purpose of acceptance "indirectly" has the meaning defined in Rule 10A-3(e)(8) under the Securities Exchange Act of 1934.

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twelve-month period during the preceding three years more than \$100,000 in direct compensation, other than compensation for service as a director, pension or other forms of deferred compensation for prior service (not contingent on continued service), compensation for former service as an interim Chairman, CEO or executive officer, or compensation paid to an immediate family member who is a non-executive employee of the Company.

- An independent director is not a partner of or employed by a firm that is the Corporation's internal or external auditor.
- An independent director has no immediate family member who is a partner of a firm that is the Corporation's internal or external auditor.
- An independent director has no immediate family member who is an employee of a firm that is the Corporation's internal or external auditor and who participates in the firm's audit, assurance or tax compliance (excluding tax planning) practice.
- An independent director did not, and has no immediate family member who, personally worked within the previous three years on the Corporation's audit while he or she was a partner or employee of a firm that was the Corporation's internal or external auditor.
- An independent director is not and has not been within the previous three years, and has no immediate family member who is or has been within the previous three years, an executive officer of another company during a time in which any of the Company's executive officers is or was serving on the other company's compensation committee.
- An independent director is not employed by a public company at which an executive officer of the Company serves as a Director.
- An independent director is not a current employee of, and has no immediate family member who is a current executive officer of, a company, other than a charitable organization^{††}, that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the previous three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.
- An independent director has no personal services contract(s) with the Company, or a member of the Company's senior management.

^{††} The Corporation will disclose in its proxy statement any contributions made by it or any of its subsidiaries to any tax exempt organization in which an independent director serves as an executive officers if, within the preceding three years, such contributions in any single fiscal year exceeded the greater of \$1 million or 2% of the tax exempt organization's consolidated gross revenues.

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- An independent director, within the last three years, has not had any business relationship with the Company (other than service as a Director) for which the Corporation has been required to make disclosure under Regulation S-K of the Securities and Exchange Commission.

(b) Immaterial Relationships

The Board of Directors has determined that the following types of relationships between any director and the Company or a member of its management are immaterial for purposes of assessing that director's independence under the governance listing standards of the New York Stock Exchange. The existence of any immaterial relationship which is not described in this section 4(b) does not necessarily preclude a determination that the director is independent from the Company.

- Payments involving the Company which are made to or received from the director or the director's immediate family member, or an entity with which the director or the director's immediate family member is affiliated or is currently employed, for goods or services, or other contractual arrangements, if they are made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons, so long as the total amount of such payments during each of the current calendar year and each of the three preceding calendar years does not exceed \$60,000.
- The director or the director's immediate family member, or an entity with which the director or the director's immediate family member is affiliated or is currently employed, uses any travel-related services provided by the Company, directly or indirectly (including, but not limited to services provided by a third-party relying on such services provided by the Company) on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons, so long as the total amount of payments to or from the director or entity and the Company, as the case may be, during each of the current fiscal year and each of the preceding three fiscal years does not exceed \$60,000.
- The director or the director's immediate family member is an officer, director or trustee of a foundation, university or other not-for-profit organization that receives from the Company, during the current fiscal year or any of the prior three fiscal years, contributions in an amount not exceeding \$60,000.

- A family relationship other than an “immediate family member” relationship between the director and any person.
- A director is, or one or more of a director’s immediate family members are, involved with, participate in, or enjoy common membership in the same academic, alumni, charitable, social, or similar organizations as one or more members of management or other members of the board of directors or their respective immediate family members.

(c) Disqualifying relationships for independence

No person who, or whose immediate family member, has with the prior three years had any of the relationships with the Corporation described in this section 4(c) may qualify as an independent director.

(i) Former employees

A person who is a former employee or whose immediate family member is a former executive officer of the Company^{‡‡}, or who is affiliated with such an employee, cannot be an “independent director” until three years after the end of the employment or affiliation.

(ii) Employed by Auditor

A person who is affiliated with or employed by, or whose immediately family member is employed in a professional capacity by a former internal or external auditor cannot be an “independent director” until three years after the end of the affiliation or employment.

(iii) Significant customers and vendors

A person who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company, not including charitable organizations, that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the previous three fiscal years, exceeds the greater of \$1 million or 2% of such other company’s consolidated gross revenues cannot be an “independent director” until three years after falling below such threshold.

^{‡‡} Excluding service as an interim Chairman, CEO or executive officer.

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(iv) Former auditor

A person who is affiliated with or employed by, or whose immediately family member is affiliated with or employed in a professional capacity, by an internal or external auditor of the Corporation or its subsidiaries, or who is affiliated with such auditors, cannot be an "independent director" until three years after the end of the affiliation or the auditing relationship.

(v) Interlocking directorships

A person who is employed by, or whose immediate family member is an executive officer, by a company as to which an executive officer of the Company serves as a director and member of the compensation committee for that company can not be an "independent director" until three years after the end of employment by that company or service by the executive officer on the compensation committee of that company.

(d) Board determination

The Board affirmatively determines, at least annually, that each Director meets the qualification criteria described in section 3 and that each Director other than the Chief Executive Officer ("CEO") meets the Corporation's requirements for an "independent director" described in this section 4. In making the independence determination, the Board broadly considers all relevant facts and circumstances. In particular, when assessing the materiality of a Director's relationship with the Corporation, the Board considers the issue not merely from the standpoint of the Director, but also from that of persons or organizations with which the Director is affiliated. These basis for these determinations, and the identities of the independent Directors, are disclosed in the Corporation's proxy statement and on its public website.

5. Director responsibilities

The principal responsibilities of the Board and the Directors are described as follows:

(a) Accountability to stockholders

The Board believes that each Director should represent, be responsive to, and act in the best interest of, all of the Corporation's stockholders, rather

than representing the interests of any individual stockholder or group of stockholders or other stakeholders or constituencies.

(b) Corporate strategy

The Directors provide strategic guidance, and approve, when appropriate, the Corporation's strategic business plans, including significant transactions that are outside of the ordinary course of the Corporation's businesses.

(c) Financial planning

The Directors provide financial planning guidance, and approve, when appropriate, the Corporation's strategic financial plans and objectives, including capital budgets and significant expenditures and transactions.

(d) Risk management

The Directors assist management in identifying and assessing major risks facing the Corporation, and in considering options for their mitigation.

(e) Quality of disclosure

The Directors monitor policies and processes that are implemented to meet public disclosure and accounting requirements and create a strong disclosure controls environment, including periodic reviews of significant accounting and disclosure policies and approval, when appropriate, of significant changes in the Corporation's accounting and disclosure policies and practices.

(f) Internal controls

The Directors monitor policies and processes that are implemented to provide a strong internal control environment, including regular meetings with internal and external auditors.

(g) Business ethics and compliance with laws

The Directors monitor policies and processes that are implemented to create an ethical business environment and to address compliance with laws. The Audit Committee has approved a **Business Ethics Policy** that applies to the Corporation's Directors, officers, employees and non-employee contractors around the globe. The Business Ethics Policy is

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administered by the General Counsel, who acts as the Compliance Officer for the Corporation.

(h) Oversight of management and succession planning

The Directors, meeting as the Governance and Nominating Committee, ensures that a highly qualified executive team is managing the Corporation.

(i) Selection of CEO

The independent Directors, meeting as the Governance and Nominating Committee, choose the CEO of the Corporation.

(ii) Management development and training

The Governance and Nominating Committee reviews, at least annually, the development and training plans for the Corporation's top tier of executives.

(iii) Advice and counsel

The Directors provide, when requested or as otherwise appropriate, advice and counsel to the Corporation's senior executives.

(iv) Evaluations of CEO

The Compensation Committee establishes objective performance criteria for the CEO, including annual business goals and long-term strategic objectives. The Compensation Committee annually evaluates the performance of the CEO, including an assessment of whether the CEO has met objective performance criteria established by the committee. The results of the evaluation are used by the Compensation Committee in determining the compensation of the CEO.

(v) Evaluations of senior officers

The Compensation Committee establishes objective performance criteria for each officer, based upon CEO recommendations. The CEO is responsible for evaluating the performance of the Corporation's officers each year and reviewing that assessment with the Compensation Committee. The results of the evaluation

are used by the Compensation Committee in determining officer compensation, upon the recommendation of the CEO.

(vi) CEO and management succession planning

The CEO reports to the Governance and Nominating Committee annually concerning management succession planning. The CEO delivers, at the time of that report, a detailed plan for developing a qualified replacement and the options available to the Board should the CEO become unable to perform his or her duties. The CEO designates, at the time of that report at least one person who could, in the judgment of the CEO, assume the CEO's role in the event the CEO becomes unable to perform his or her duties. The designation is updated, if appropriate, during the year.

6. Committees of the Board

(a) Number and structure

The Board may constitute such committees as it determines are appropriate from time to time, as permitted by the **Bylaws**. As a matter of practice, pursuant to the **Committee Administration Guidelines**, the Board maintains the standing committees described below:

(i) Audit Committee

The Board maintains an **Audit Committee** consisting solely of independent Directors. The purposes and responsibilities of the committee are described in the Audit Committee **Charter**.

(ii) Compensation Committee

The Board maintains a **Compensation Committee** consisting solely of independent Directors. The purposes and responsibilities of the committee are described in the Compensation Committee **Charter**.

(iii) Governance and Nominating Committee

The Board maintains a **Governance and Nominating Committee** consisting solely of independent Directors. The purposes and responsibilities of the committee are described in the Governance and Nominating Committee **Charter**.

(iv) Executive Committee

The Board maintains an **Executive Committee** whose membership is determined by the Board from time to time, and which includes among its members the Chairman and the CEO, as required by Section 4.2 of the Corporation's **Bylaws**. Currently, the other members of the Executive Committee are the chairmen of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee. The purposes and responsibilities of the committee are described in the Executive Committee **Charter**. The Executive Committee does not meet on a regular basis.

(b) Written committee charters

Each of the Board's standing committees have written governance documents that are published on the **Corporation's public website**. Each committee's governance documents include:

- a *Charter* consistent with **NYSE corporate governance listing standards** describing the committee's purposes and responsibilities, a delegation of authority to the committee from the Board, and provisions for funding the committee; and
- a description of the committee's *Key Tasks and Processes*, which are intended to serve as discretionary guidelines for the performance of the committee's functions; and
- *Administration Guidelines* for the committee's operations, such as the qualification standards for the committee's members.

Committees may also utilize other administrative tools to enhance their performance, such as standing agendas, standardized report formats or issues checklists. For further information, please refer to the **Committee Administration Guidelines**.

7. Board interaction with management and third persons

(a) Director access to management

Board members have complete access to the Corporation's management. Consultation with management occurs in formal Board and committee meetings and through informal, individual Directors' contacts with the CEO and with other members of management. Directors use their judgment in accessing management, so that their involvement is not distracting to the detriment of business operations.

(b) Director access to independent advisors

The Board and any committee of the Board may retain and have access to outside counsel and other outside advisors of the Directors' choice with respect to any issue relating to their activities. The Corporation provides funding for payment of fees and expenses to those counsel and other advisors, as well as for other administrative expenses of the Board and its committees.

(c) Regular attendance at meetings by non-directors

The Directors regularly invite to Board and committee meetings: (a) executives of the Corporation who can provide additional insight into the items being discussed or who have potential as business leaders, and (b) outside advisors who can provide additional expertise and independent perspective into the items being discussed.

(d) Director interaction with interested parties

Management ordinarily speaks on behalf of the Corporation through Designated Company Spokespersons, pursuant to the Corporation's *Public Communications Policy*. Directors who are not involved in the day-to-day business affairs of the Corporation may, from time to time, speak on behalf of the Corporation to institutional investors, press, customers and other interested parties, but, in general, this interaction takes place with the knowledge of, and at the request of, management.

(e) Stockholder communications with directors

The Board has published ***Guidelines for Communicating with Directors***, which describes how stockholders and other interested parties may send confidential and anonymous communications to the whole Board, the Audit Committee, the independent Directors, the Chairman of the Board, or the chairman of any particular committee.

8. Director performance

(a) Periodic performance evaluation

Before nominating a Director for an additional term, the Governance and Nominating Committee reviews the Director's past performance on the Board and its committees, and determines whether the Director continues to meet the qualification criteria established for nomination as a Director. Each Director also has the opportunity, before nomination for an additional

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term, to confirm his or her desire to continue serving as a member of the Board.

(b) Annual assessment of board performance

The Governance and Nominating Committee evaluates annually the effectiveness of the Board as a body in meeting the responsibilities of Directors described in section 5 above. A report delivered to the Board identifies opportunities to improve the performance of the Board.

(c) Annual assessment of committee performance

Each committee of the Board evaluates itself annually under the supervision of the Governance and Nominating Committee. Each committee is evaluated on its effectiveness in addressing the items identified in its Charter and other governing documents. A report delivered to the committee members identifies opportunities to improve the performance of the committee.

(d) Annual assessment of director performance

The Board believes that it is good practice for the Governance and Nominating Committee to annually oversee an evaluation of the effectiveness of each individual Director.

9. Director orientation

The Corporation maintains a curriculum and outline of materials for the orientation of new Directors. New Directors meet with the Chairman, CEO, CFO, Corporate Secretary and other officers and participate in a multi-day orientation providing comprehensive background information about the duties and responsibilities of corporate directors, corporate governance principles and business ethics, business operations, strategy and risks, financial performance and planning, and other topics.

10. Director continuing education

The Governance and Nominating Committee or the Corporate Secretary periodically recommends or provides to the Directors opportunities for educational programs aimed at improving Director, committee and Board performance. The Governance and Nominating Committee established a goal of providing to the Directors as a group, in conjunction with regular Board meetings, the opportunity to receive four hours of annual continuing education, and

Directors are encouraged to independently pursue a total of eight hours of annual continuing education.

11. Director compensation

(a) Determination of compensation

The Compensation Committee determines, based on advice from an independent compensation consultant, the appropriate amount of Director compensation. The compensation of the Chairman of the Board and chairmen of the key committees may take into account the additional commitment and responsibilities of those positions. The CEO receives no additional compensation for service as a Director. A portion of Director compensation is tied to meeting attendance.

(b) Form of compensation

In order to align the interests of Directors with stockholders, Directors are compensated only in the form of cash and awards of the Corporation's common stock. The Compensation Committee determines, based on advice from an independent compensation consultant, the appropriate mix and form of Director compensation. Equity awards constitute a substantial portion of total Director compensation, potentially up to 100% for Directors who defer their cash compensation into stock equivalent units. Directors and their immediate family members are not permitted to receive any other compensation from the Corporation or its subsidiaries, directly or indirectly.

(c) Periodic review of compensation

The Compensation Committee generally reviews Director compensation biennially.

12. Policy administration

This statement of Corporate Governance Guidelines supersedes any and all previously adopted or published statements of the Corporation's guidelines, policies and procedures regarding any of the matters or topics described herein. This statement of Corporate Governance Guidelines is part of the Corporate Governance Policy and is subject and subordinate to the Policy Administration Guidelines of that policy.