

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**(Mark One)**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended August 31, 2014

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-9610

Carnival Corporation

(Exact name of registrant as specified in its charter)

Republic of Panama

(State or other jurisdiction of incorporation or organization)

59-1562976

(I.R.S. Employer Identification No.)

3655 N.W. 87th Avenue  
Miami, Florida 33178-2428

(Address of principal executive offices)  
(Zip Code)

(305) 599-2600

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)



Commission file number: 001-15136

Carnival plc

(Exact name of registrant as specified in its charter)

England and Wales

(State or other jurisdiction of incorporation or organization)

98-0357772

(I.R.S. Employer Identification No.)

Carnival House, 5 Gainsford Street,  
London SE1 2NE, United Kingdom

(Address of principal executive offices)  
(Zip Code)

011 44 20 7940 5381

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web sites, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes  No

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, or smaller reporting companies. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filers	<input checked="" type="checkbox"/>	Accelerated filers	<input type="checkbox"/>
Non-accelerated filers	<input type="checkbox"/>	Smaller reporting companies	<input type="checkbox"/>

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At September 24, 2014, Carnival Corporation had outstanding 592,649,377 shares of Common Stock, \$0.01 par value.

At September 24, 2014, Carnival plc had outstanding 216,016,600 Ordinary Shares \$1.66 par value, one Special Voting Share, GBP 1.00 par value and 592,649,377 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

**CARNIVAL CORPORATION & PLC**

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## PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

**CARNIVAL CORPORATION & PLC**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**  
(in millions, except per share data)

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2014	2013	2014	2013
<b>Revenues</b>				
Cruise				
Passenger tickets	\$ 3,719	\$ 3,598	\$ 9,144	\$ 8,951
Onboard and other	1,084	987	2,839	2,670
Tour and other	144	141	182	177
	<u>4,947</u>	<u>4,726</u>	<u>12,165</u>	<u>11,798</u>
<b>Operating Costs and Expenses</b>				
Cruise				
Commissions, transportation and other	638	654	1,779	1,777
Onboard and other	165	144	392	385
Fuel	518	544	1,569	1,659
Payroll and related	485	464	1,450	1,378
Food	265	259	761	740
Other ship operating	599	769	1,825	1,951
Tour and other	84	83	130	113
	<u>2,754</u>	<u>2,917</u>	<u>7,906</u>	<u>8,003</u>
Selling and administrative	481	439	1,507	1,347
Depreciation and amortization	414	406	1,227	1,186
Ibero trademark impairment charge	—	13	—	13
	<u>3,649</u>	<u>3,775</u>	<u>10,640</u>	<u>10,549</u>
<b>Operating Income</b>	<u>1,298</u>	<u>951</u>	<u>1,525</u>	<u>1,249</u>
<b>Nonoperating (Expense) Income</b>				
Interest income	2	2	6	7
Interest expense, net of capitalized interest	(69)	(76)	(213)	(237)
Gains on fuel derivatives, net	15	64	10	5
Other income (expense), net	1	(6)	12	(9)
	<u>(51)</u>	<u>(16)</u>	<u>(185)</u>	<u>(234)</u>
<b>Income Before Income Taxes</b>	<u>1,247</u>	<u>935</u>	<u>1,340</u>	<u>1,015</u>
<b>Income Tax Expense, Net</b>	<u>—</u>	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
<b>Net Income</b>	<u>\$ 1,247</u>	<u>\$ 934</u>	<u>\$ 1,338</u>	<u>\$ 1,012</u>
<b>Earnings Per Share</b>				
Basic	<u>\$ 1.61</u>	<u>\$ 1.20</u>	<u>\$ 1.72</u>	<u>\$ 1.31</u>
Diluted	<u>\$ 1.60</u>	<u>\$ 1.20</u>	<u>\$ 1.72</u>	<u>\$ 1.30</u>
<b>Dividends Declared Per Share</b>	<u>\$ 0.25</u>	<u>\$ 0.25</u>	<u>\$ 0.75</u>	<u>\$ 0.75</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CARNIVAL CORPORATION & PLC**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**  
(in millions)

	<u>Three Months Ended August 31,</u>		<u>Nine Months Ended August 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Net Income</b>	<b>\$ 1,247</b>	<b>\$ 934</b>	<b>\$ 1,338</b>	<b>\$ 1,012</b>
<b>Items Included in Other Comprehensive (Loss) Income</b>				
Change in foreign currency translation adjustment	(254)	211	(154)	(69)
Other	(17)	11	(35)	25
<b>Other Comprehensive (Loss) Income</b>	<b>(271)</b>	<b>222</b>	<b>(189)</b>	<b>(44)</b>
<b>Total Comprehensive Income</b>	<b>\$ 976</b>	<b>\$ 1,156</b>	<b>\$ 1,149</b>	<b>\$ 968</b>

The accompanying notes are an integral part of these consolidated financial statements.

**CARNIVAL CORPORATION & PLC**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**  
(in millions, except par values)

	August 31, 2014	November 30, 2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 436	\$ 462
Trade and other receivables, net	355	405
Insurance recoverables	123	381
Inventories	358	374
Prepaid expenses and other	330	315
Total current assets	1,602	1,937
<b>Property and Equipment, Net</b>	33,073	32,905
<b>Goodwill</b>	3,199	3,210
<b>Other Intangibles</b>	1,292	1,292
<b>Other Assets</b>	831	760
	<u>\$ 39,997</u>	<u>\$ 40,104</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term borrowings	\$ 146	\$ 60
Current portion of long-term debt	1,754	1,408
Accounts payable	610	639
Claims reserve	225	456
Accrued liabilities and other	1,191	1,126
Customer deposits	3,130	3,031
Total current liabilities	7,056	6,720
<b>Long-Term Debt</b>	6,967	8,092
<b>Other Long-Term Liabilities</b>	817	736
<b>Contingencies</b>		
<b>Shareholders' Equity</b>		
Common stock of Carnival Corporation, \$0.01 par value; 1,960 shares authorized; 652 shares at 2014 and 651 shares at 2013 issued	7	7
Ordinary shares of Carnival plc, \$1.66 par value; 216 shares at 2014 and 2013 issued	358	358
Additional paid-in capital	8,369	8,325
Retained earnings	19,538	18,782
Accumulated other comprehensive (loss) income	(28)	161
Treasury stock, 59 shares at 2014 and 2013 of Carnival Corporation and 32 shares at 2014 and 2013 of Carnival plc, at cost	(3,087)	(3,077)
Total shareholders' equity	25,157	24,556
	<u>\$ 39,997</u>	<u>\$ 40,104</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CARNIVAL CORPORATION & PLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**  
(in millions)

	Nine Months Ended August 31,	
	2014	2013
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 1,338	\$ 1,012
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,227	1,186
(Gains) on ship sales and ship impairments, net	(15)	163
Trademark and other impairment charges	—	27
Gains on fuel derivatives, net	(10)	(5)
Share-based compensation	37	32
Other, net	24	26
Changes in operating assets and liabilities		
Receivables	34	(172)
Inventories	15	1
Insurance recoverables, prepaid expenses and other	402	277
Accounts payable	(22)	50
Claims reserves and accrued and other liabilities	(379)	(132)
Customer deposits	142	(106)
Net cash provided by operating activities	<u>2,793</u>	<u>2,359</u>
<b>INVESTING ACTIVITIES</b>		
Additions to property and equipment	(1,677)	(1,812)
Proceeds from sale of ships	42	70
Other, net	18	(65)
Net cash used in investing activities	<u>(1,617)</u>	<u>(1,807)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings, net	95	142
Principal repayments of long-term debt	(1,513)	(942)
Proceeds from issuance of long-term debt	829	1,837
Dividends paid	(582)	(970)
Purchases of treasury stock	—	(138)
Sales of treasury stock	—	35
Other, net	(17)	7
Net cash used in financing activities	<u>(1,188)</u>	<u>(29)</u>
Effect of exchange rate changes on cash and cash equivalents	(14)	(7)
Net (decrease) increase in cash and cash equivalents	<u>(26)</u>	<u>516</u>
Cash and cash equivalents at beginning of period	462	465
Cash and cash equivalents at end of period	<u>\$ 436</u>	<u>\$ 981</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CARNIVAL CORPORATION & PLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 – General**

The consolidated financial statements include the accounts of Carnival Corporation and Carnival plc and their respective subsidiaries. Together with their consolidated subsidiaries, they are referred to collectively in these consolidated financial statements and elsewhere in this joint Quarterly Report on Form 10-Q as “Carnival Corporation & plc,” “our,” “us” and “we.”

The Consolidated Balance Sheet at August 31, 2014, the Consolidated Statements of Income and the Consolidated Statements of Comprehensive Income for the three and nine months ended August 31, 2014 and 2013 and the Consolidated Statements of Cash Flows for the nine months ended August 31, 2014 and 2013 are unaudited and, in the opinion of our management, contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation. Our interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes included in the Carnival Corporation & plc 2013 joint Annual Report on Form 10-K (“Form 10-K”) filed with the U.S. Securities and Exchange Commission on January 29, 2014. Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire year. Certain prior period amounts have been reclassified in the Consolidated Balance Sheets to conform to the current period presentation.

Cruise passenger ticket revenues include fees, taxes and charges collected by us from our guests. The portion of these fees, taxes and charges included in passenger ticket revenues and commissions, transportation and other costs were \$146 million and \$140 million and \$407 million and \$395 million for the three and nine months ended August 31, 2014 and 2013, respectively.

During the three and nine months ended August 31, 2014 and 2013, repairs and maintenance expenses, including minor improvement costs and dry-dock expenses, were \$180 million and \$216 million and \$695 million and \$680 million, respectively, and are substantially all included in other ship operating expenses.

**NOTE 2 – Unsecured Debt**

At August 31, 2014, our short-term borrowings consisted of euro-denominated commercial paper of \$112 million and euro-denominated bank loans of \$34 million with an aggregate weighted-average interest rate of 0.7%.

In December 2013, we entered into a five-year \$150 million floating rate bank loan due in September 2019. We plan to draw under this loan by November 2014 and use the proceeds for general corporate purposes.

In January 2014, we repaid \$200 million of a floating rate bank loan prior to its October 2014 maturity date.

In March 2014, we repaid \$139 million of a floating rate euro-denominated bank loan prior to its September 2014 maturity date.

In April 2014, we repaid \$109 million of an export credit facility prior to its April 2023 maturity date.

In May 2014, we repaid \$300 million of an export credit facility prior to its May 2024 maturity date. In September 2014, we repaid \$181 million, which represented the remaining portion of this facility.

In May 2014, we borrowed \$554 million under an export credit facility, the proceeds of which were used to pay for a portion of *Regal Princess*' purchase price. This floating rate facility is due in semi-annual installments through May 2026.

In May 2014, we borrowed \$275 million under a euro-denominated floating rate revolving bank loan facility, the proceeds of which were used for general corporate purposes. This facility has a perpetual term although we can terminate it at any time, and the bank can terminate the facility at any time upon nine months notice.

In June 2014, Carnival Corporation, Carnival plc and certain of Carnival plc's subsidiaries amended and replaced their existing five-year multi-currency revolving credit facility of \$2.5 billion (comprised of \$1.6 billion, €450 million and £150 million) with a new five-year multi-currency revolving credit facility (the “Facility”). This Facility of \$2.6 billion (comprised of \$1.7 billion, €500 million and £150 million) at August 31, 2014 expires in June 2019, and we have options to extend this Facility through June 2021 subject to the approval of each bank. The Facility currently bears interest at LIBOR/EURIBOR plus a margin of 40 basis points (“bps”). The margin varies based on changes to Carnival Corporation's and Carnival plc's long-term senior unsecured credit ratings. We are required to pay a commitment fee of 35% of the margin per annum on any undrawn

portion. We will also incur an additional utilization fee of 10 bps, 20 bps or 40 bps if equal to or less than one-third, more than one-third or more than two-thirds of the Facility, respectively, is drawn on the total amount outstanding.

In June 2014, we entered into an export credit facility that will provide us with the ability to borrow up to an aggregate of \$236 million. Proceeds from this facility will be used to pay for a portion of the purchase price of a Seabourn ship, which is expected to be delivered in November 2016. This borrowing will be due in semi-annual installments through November 2028.

In August 2014, we restructured two floating rate bank loan facilities that had an aggregate outstanding loan balance of \$250 million at August 31, 2014. The restructuring added another \$150 million undrawn tranche and converted the terms into perpetual one-year maturities.

### **NOTE 3 – Contingencies**

#### **Litigation**

As a result of the January 2012 ship incident, litigation claims, enforcement actions, regulatory actions and investigations, including, but not limited to, those arising from personal injury, loss of life, loss of or damage to personal property, business interruption losses or environmental damage to any affected coastal waters and the surrounding areas, have been and may be asserted or brought against various parties, including us. The existing assertions are ongoing and there are significant jurisdictional uncertainties. The ultimate outcome of these matters cannot be determined at this time. However, we do not expect these matters to have a significant impact on our results of operations because we have insurance coverage for these types of third-party claims.

The UK Maritime & Coastguard Agency and the U.S. Department of Justice are investigating allegations that *Caribbean Princess* breached international pollution laws. We are cooperating with the investigations, including conducting our own internal investigation into the matter. The ultimate outcome of this matter cannot be determined at this time. However, we do not expect it to have a significant impact on our results of operations.

Additionally, in the normal course of our business, various claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability, net of any insurance recoverables, is typically limited to our self-insurance retention levels. Management believes the ultimate outcome of these claims and lawsuits will not have a material adverse impact on our consolidated financial statements.

#### **Contingent Obligations – Lease Out and Lease Back Type (“LILO”) Transactions**

At August 31, 2014, Carnival Corporation had estimated contingent obligations totaling \$394 million, excluding termination payments as discussed below, to participants in LILO transactions for two of its ships. At the inception of these leases, the aggregate of the net present value of these obligations was paid by Carnival Corporation to a group of major financial institutions, who agreed to act as payment undertakers and directly pay these obligations. As a result, these contingent obligations are considered extinguished and neither the funds nor the contingent obligations have been included in our Consolidated Balance Sheets.

In the event that Carnival Corporation were to default on its contingent obligations and assuming performance by all other participants, we estimate that it would, as of August 31, 2014, be responsible for a termination payment of \$31 million. In 2017, Carnival Corporation has the right to exercise options that would terminate these LILO transactions at no cost to it.

In certain cases, if the credit ratings of the financial institutions who are directly paying the contingent obligations fall below AA-, then Carnival Corporation will be required to replace these financial institutions with other financial institutions whose credit ratings are at least AA or meet other specified credit requirements. In such circumstances, it would incur additional costs, although we estimate that they would not be material to our consolidated financial statements. For the two financial institution payment undertakers subject to this AA- credit rating threshold, one has a credit rating of AA and the other has a credit rating of AA-. If Carnival Corporation’s credit rating, which is BBB+, falls below BBB, it will be required to provide a standby letter of credit for \$35 million, or, alternatively, provide mortgages for this aggregate amount on these two ships.

#### **Contingent Obligations – Indemnifications**

Some of the debt contracts that we enter into include indemnification provisions that obligate us to make payments to the counterparty if certain events occur. These contingencies generally relate to changes in taxes and changes in laws that increase lender capital costs and other similar costs. The indemnification clauses are often standard contractual terms and were entered into in the normal course of business. There are no stated or notional amounts included in the indemnification clauses, and we are not able to estimate the maximum potential amount of future payments, if any, under these indemnification clauses. We have not been required to make any material payments under such indemnification clauses in the past and, under current circumstances, we do not believe a request for material future indemnification payments is probable.



**NOTE 4 – Fair Value Measurements, Derivative Instruments and Hedging Activities**

**Fair Value Measurements**

U.S. accounting standards establish a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.
- Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.
- Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable market participants at the measurement date. Therefore, even when market assumptions are not readily available, our own assumptions are set to reflect those that we believe market participants would use in pricing the asset or liability at the measurement date.

The fair value measurement of a financial asset or financial liability must reflect the nonperformance risk of the counterparty and us. Therefore, the impact of our counterparty’s creditworthiness was considered when in an asset position, and our creditworthiness was considered when in a liability position in the fair value measurement of our financial instruments. Creditworthiness did not have a significant impact on the fair values of our financial instruments at August 31, 2014 and November 30, 2013. Both the counterparties and we are expected to continue to perform under the contractual terms of the instruments. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, certain estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

**Financial Instruments that are not Measured at Fair Value on a Recurring Basis**

The estimated carrying and fair values and basis of valuation of our financial instrument assets and liabilities that are not measured at fair value on a recurring basis were as follows (in millions):

	August 31, 2014				November 30, 2013			
	Carrying Value	Fair Value			Carrying Value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Assets</b>								
Cash and cash equivalents (a)	\$ 316	\$ 316	\$ —	\$ —	\$ 349	\$ 349	\$ —	\$ —
Long-term other assets (b)	106	1	52	54	110	1	58	50
Total	\$ 422	\$ 317	\$ 52	\$ 54	\$ 459	\$ 350	\$ 58	\$ 50
<b>Liabilities</b>								
Fixed rate debt (c)	\$ 5,125	\$ —	\$ 5,483	\$ —	\$ 5,574	\$ —	\$ 5,941	\$ —
Floating rate debt (c)	3,742	—	3,700	—	3,986	—	3,997	—
Total	\$ 8,867	\$ —	\$ 9,183	\$ —	\$ 9,560	\$ —	\$ 9,938	\$ —

- (a) Cash and cash equivalents are comprised of cash on hand and time deposits, and at August 31, 2014, also include a money market deposit and, due to their short maturities the carrying values approximate their fair values.
- (b) At August 31, 2014 and November 30, 2013, long-term other assets were substantially all comprised of notes and other receivables. The fair values of our Level 1 and Level 2 notes and other receivables were based on estimated future cash flows discounted at appropriate market interest rates. The fair values of our Level 3 notes receivable were estimated using risk-adjusted discount rates.

- (c) The net difference between the fair value of our fixed rate debt and its carrying value was due to the market interest rates in existence at August 31, 2014 and November 30, 2013 being lower than the fixed interest rates on these debt obligations, including the impact of any changes in our credit ratings. At August 31, 2014 and November 30, 2013, the net difference between the fair value of our floating rate debt and its carrying value was due to the market interest rates in existence at August 31, 2014 and November 30, 2013, being slightly higher and slightly lower, respectively, than the floating interest rates on these debt obligations, including the impact of any changes in our credit ratings. The fair values of our publicly-traded notes were based on their unadjusted quoted market prices in markets that are not sufficiently active to be Level 1. The fair values of our other debt were estimated based on appropriate market interest rates being applied to this debt.

#### Financial Instruments that are Measured at Fair Value on a Recurring Basis

The estimated fair value and basis of valuation of our financial instrument assets and liabilities that are measured at fair value on a recurring basis were as follows (in millions):

	August 31, 2014			November 30, 2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Cash equivalents (a)	\$ 120	\$ —	\$ —	\$ 113	\$ —	\$ —
Restricted cash (b)	32	—	—	28	—	—
Marketable securities held in rabbi trusts (c)	112	10	—	113	10	—
Derivative financial instruments (d)	—	56	—	—	60	—
Long-term other assets (e)	—	—	20	—	—	17
<b>Total</b>	<b>\$ 264</b>	<b>\$ 66</b>	<b>\$ 20</b>	<b>\$ 254</b>	<b>\$ 70</b>	<b>\$ 17</b>
<b>Liabilities</b>						
Derivative financial instruments (d)	\$ —	\$ 52	\$ —	\$ —	\$ 31	\$ —
<b>Total</b>	<b>\$ —</b>	<b>\$ 52</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 31</b>	<b>\$ —</b>

- (a) Cash equivalents are comprised of money market funds.
- (b) Restricted cash is primarily comprised of money market funds.
- (c) At August 31, 2014, marketable securities held in rabbi trusts were substantially comprised of Level 1 bonds and frequently-priced mutual funds invested in common stocks and Level 2 other investments. At November 30, 2013, marketable securities held in rabbi trusts were principally comprised of Level 1 frequently-priced mutual funds invested in common stocks and Level 2 other investments. Their use is restricted to funding certain deferred compensation and non-qualified U.S. pension plans.
- (d) See “Derivative Instruments and Hedging Activities” section below for detailed information regarding our derivative financial instruments.
- (e) Long-term other assets are comprised of an auction-rate security. The fair value was based on a broker quote in an inactive market, which is considered a Level 3 input. During the nine months ended August 31, 2014, there were no purchases or sales pertaining to this auction-rate security and, accordingly, the change in its fair value was based solely on the strengthening of the underlying credit.

We measure our derivatives using valuations that are calibrated to the initial trade prices. Subsequent valuations are based on observable inputs and other variables included in the valuation models such as interest rate, yield and commodity price curves, forward currency exchange rates, credit spreads, maturity dates, volatilities and netting arrangements. We use the income approach to value derivatives for foreign currency options and forwards, interest rate swaps and fuel derivatives using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated, but not compelled to transact. We also corroborate our fair value estimates using valuations provided by our counterparties.

**Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis****Impairments and Sale of Ships**

Due to the expected absorption of Ibero Cruises' ("Ibero") operations into Costa Cruises ("Costa") in late 2014 and certain Ibero ship-specific facts and circumstances, such as their size, age, condition, viable alternative itineraries and historical operating cash flows, we performed undiscounted future cash flow analyses of Ibero's two ships, *Grand Celebration* and *Grand Holiday* as of May 31, 2014 (and also August 31, 2014 for *Grand Holiday*) to determine if these ships were impaired. The principal assumptions used in our undiscounted cash flow analyses consisted of an estimated sales price for *Grand Holiday*, forecasted future operating results, including net revenue yields and net cruise costs including fuel prices, and estimated residual values, which are all considered Level 3 inputs, and the transfer of *Grand Celebration* into Costa in late 2014. Based on its undiscounted cash flow analyses, we determined that the net carrying value for *Grand Celebration* exceeded its estimated undiscounted future cash flows. Accordingly, we then estimated the May 31, 2014 fair value of this ship based on its discounted future cash flows and compared this estimated fair value to its net carrying value. As a result, we recognized a \$22 million ship impairment charge in other ship operating expenses during the three months ended May 31, 2014.

In July 2013, we recognized a \$73 million impairment charge related to *Costa Voyager*, and in November 2013, it was taken out of service. In March 2014, we sold this ship and recognized a \$37 million gain as a reduction in other ship operating expenses during the three months ended May 31, 2014.

**Valuation of Goodwill and Other Intangibles**

The reconciliation of the changes in the carrying amounts of our goodwill, which goodwill has been allocated to our North America and Europe, Australia & Asia ("EAA") cruise brands, was as follows (in millions):

	North America Cruise Brands	EAA Cruise Brands	Total
Balance at November 30, 2013	\$ 1,898	\$ 1,312	\$ 3,210
Foreign currency translation adjustment	—	(11)	(11)
Balance at August 31, 2014	\$ 1,898	\$ 1,301	\$ 3,199

At July 31, 2014, all of our cruise brands carried goodwill, except for Ibero and Seabourn. As of that date, we performed our annual goodwill impairment reviews, which included performing a qualitative assessment for all cruise brands that carried goodwill, except for Carnival Cruise Lines, Cunard and P&O Cruises (UK). Qualitative factors such as industry and market conditions, macroeconomic conditions, changes to the weighted-average cost of capital ("WACC"), overall financial performance, changes in fuel prices and capital expenditures were considered in the qualitative assessment to determine how changes in these factors would affect each of these cruise brands' estimated fair values. Based on our qualitative assessments, we determined it was more-likely-than-not that each of these cruise brands' estimated fair values exceeded their carrying values and, therefore, we did not proceed to the two-step quantitative goodwill impairment reviews.

As of July 31, 2014, we also performed our annual goodwill impairment reviews of Carnival Cruise Lines', Cunard's and P&O Cruises (UK)'s goodwill. We did not perform a qualitative assessment but instead proceeded directly to step one of the two-step quantitative goodwill impairment review and compared each of Carnival Cruise Lines', Cunard's and P&O Cruises (UK)'s estimated fair value to the carrying value of their allocated net assets. Their estimated cruise brand fair value was based on a discounted future cash flow analysis. The principal assumptions used in our cash flow analyses consisted of forecasted future operating results, including net revenue yields and net cruise costs including fuel prices; capacity changes, including the expected rotation of vessels into, or out of, Carnival Cruise Lines, Cunard and P&O Cruises (UK); capital expenditures; WACC of market participants, adjusted for the risk attributable to the geographic regions in which Carnival Cruise Lines, Cunard and P&O Cruises (UK) operate and terminal values, which are all considered Level 3 inputs. Based on the discounted cash flow analyses, we determined that each of Carnival Cruise Lines', Cunard's and P&O Cruises (UK)'s estimated fair value significantly exceeded their carrying value and, therefore, we did not proceed to step two of the impairment reviews.

At August 31, 2014, accumulated goodwill impairment charges were \$153 million and were all related to Ibero.

The reconciliation of the changes in the carrying amounts of our intangible assets not subject to amortization, which represent trademarks that have been allocated to our North America and EAA cruise brands, was as follows (in millions):

	North America Cruise Brands	EAA Cruise Brands	Total
Balance at November 30, 2013	\$ 927	\$ 359	\$ 1,286
Foreign currency translation adjustment	—	1	1
Balance at August 31, 2014	\$ 927	\$ 360	\$ 1,287

At July 31, 2014, our cruise brands that have significant trademarks recorded include AIDA Cruises (“AIDA”), P&O Cruises (Australia), P&O Cruises (UK) and Princess Cruises (“Princess”). As of that date, we performed our annual trademark impairment reviews for these cruise brands, which included performing a qualitative assessment for AIDA, P&O Cruises (Australia) and Princess. Qualitative factors such as industry and market conditions, macroeconomic conditions, changes to the WACC, changes in royalty rates and overall financial performance were considered in the qualitative assessment to determine how changes in these factors would affect the estimated fair values for each of these cruise brands’ recorded trademarks. Based on our qualitative assessments, we determined it was more likely-than-not that the estimated fair value for AIDA’s, P&O Cruises (Australia)’s and Princess’ recorded trademarks exceeded their carrying value and, therefore, none of these trademarks were impaired.

As of July 31, 2014, we also performed our annual trademark impairment review of P&O Cruises (UK). We did not perform a qualitative assessment but instead proceeded directly to the quantitative trademark impairment review. Our quantitative assessment included estimating P&O Cruises (UK)’s trademarks fair value based upon a discounted future cash flow analysis, which estimated the amount of royalties that we are relieved from having to pay for use of the associated trademarks, based upon forecasted cruise revenues and a market participant’s royalty rate. The royalty rate was estimated primarily using comparable royalty agreements for similar industries. Based on our quantitative assessment, we determined that the estimated fair value for P&O Cruises (UK)’s trademarks significantly exceeded their carrying values and, therefore, none of these trademarks were impaired.

At August 31, 2014 and November 30, 2013, our intangible assets subject to amortization are not significant to our consolidated financial statements.

The determination of our cruise brand, cruise ship and trademark fair values includes numerous assumptions that are subject to various risks and uncertainties. We believe that we have made reasonable estimates and judgments in determining whether our goodwill, cruise ships and trademarks have been impaired. However, if there is a change in assumptions used or if there is a change in the conditions or circumstances influencing fair values in the future, then we may need to recognize an impairment charge.

#### **Derivative Instruments and Hedging Activities**

We utilize derivative and nonderivative financial instruments, such as foreign currency forwards, options and swaps, foreign currency debt obligations and foreign currency cash balances, to manage our exposure to fluctuations in certain foreign currency exchange rates, and interest rate swaps to manage our interest rate exposure in order to achieve a desired proportion of fixed and floating rate debt. In addition, we utilize our fuel derivatives program to mitigate a portion of the risk to our future cash flows attributable to potential fuel price increases, which we define as our “economic risk.” Our policy is to not use any financial instruments for trading or other speculative purposes.

All derivatives are recorded at fair value. The changes in fair value are recognized currently in earnings if the derivatives do not qualify as effective hedges, or if we do not seek to qualify for hedge accounting treatment, such as for our fuel derivatives. If a derivative is designated as a fair value hedge, then changes in the fair value of the derivative are offset against the changes in the fair value of the underlying hedged item. If a derivative is designated as a cash flow hedge, then the effective portion of the changes in the fair value of the derivative is recognized as a component of accumulated other comprehensive income (“AOCI”) until the underlying hedged item is recognized in earnings or the forecasted transaction is no longer probable. If a derivative or a nonderivative financial instrument is designated as a hedge of our net investment in a foreign operation, then changes in the fair value of the financial instrument are recognized as a component of AOCI to offset a portion of the change in the translated value of the net investment being hedged, until the investment is sold or liquidated. We formally document hedging relationships for all derivative and nonderivative hedges and the underlying hedged items, as well as our risk management objectives and strategies for undertaking the hedge transactions.

We classify the fair values of all our derivative contracts as either current or long-term, depending on whether the maturity date of the derivative contract is within or beyond one year from the balance sheet date. The cash flows from derivatives treated as hedges are classified in our Consolidated Statements of Cash Flows in the same category as the item being hedged. Our cash flows related to fuel derivatives are classified within investing activities.

The estimated fair values of our derivative financial instruments and their location on the Consolidated Balance Sheets were as follows (in millions):

	Balance Sheet Location	August 31, 2014	November 30, 2013
<b>Derivative assets</b>			
Derivatives designated as hedging instruments			
Net investment hedges (a)	Prepaid expenses and other	\$ 1	\$ —
	Other assets – long-term	3	2
Foreign currency zero cost collars (b)	Other assets – long-term	—	8
Interest rate swaps (c)	Prepaid expenses and other	1	1
	Other assets – long-term	—	5
		5	16
Derivatives not designated as hedging instruments			
Fuel (d)	Prepaid expenses and other	8	14
	Other assets – long-term	43	30
		51	44
Total derivative assets		\$ 56	\$ 60
<b>Derivative liabilities</b>			
Derivatives designated as hedging instruments			
Net investment hedges (a)	Accrued liabilities and other	\$ —	\$ 4
Foreign currency zero cost collars (b)	Accrued liabilities and other	3	—
Interest rate swaps (c)	Accrued liabilities and other	13	13
	Other long-term liabilities	36	13
		52	30
Derivatives not designated as hedging instruments			
Fuel (d)	Other long-term liabilities	—	1
		—	1
Total derivative liabilities		\$ 52	\$ 31

- (a) At August 31, 2014 and November 30, 2013, we had foreign currency forwards totaling \$193 million and \$578 million, respectively, that are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency. At August 31, 2014, these foreign currency forwards settle through July 2017.
- (b) At August 31, 2014 and November 30, 2013, we had foreign currency derivatives consisting of foreign currency zero cost collars that are designated as foreign currency cash flow hedges for a portion of our euro-denominated shipbuilding payments. See “Newbuild Currency Risks” below for additional information regarding these derivatives.
- (c) We have euro interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. At August 31, 2014 and November 30, 2013, these interest rate swap agreements effectively changed \$820 million and \$909 million, respectively, of EURIBOR-based floating rate euro debt to fixed rate euro debt. These interest rate swaps settle through March 2025. In addition, at August 31, 2014 and November 30, 2013 we had U.S. dollar interest rate swaps designated as fair value hedges whereby we receive fixed interest rate payments in exchange for making floating interest rate payments. These interest rate swap agreements effectively changed \$500 million of fixed rate debt to U.S. dollar LIBOR-based floating rate debt. These interest rate swaps settle through February 2016.
- (d) At August 31, 2014, we had fuel derivatives consisting of zero cost collars on Brent crude oil (“Brent”) to cover a portion of our estimated fuel consumption through 2018. See “Fuel Price Risks” below for additional information

regarding these fuel derivatives. At November 30, 2013, we had fuel derivatives consisting of zero cost collars on Brent to cover a portion of our estimated fuel consumption through 2017.

Our derivative contracts include rights of offset with our counterparties. We have elected to net certain of our derivative assets and liabilities within counterparties. The amounts recognized within assets and liabilities were as follows (in millions):

	August 31, 2014				
	Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts
Assets	\$ 98	\$ (42)	\$ 56	\$ (3)	\$ 53
Liabilities	\$ 94	\$ (42)	\$ 52	\$ (3)	\$ 49

  

	November 30, 2013				
	Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts
Assets	\$ 137	\$ (77)	\$ 60	\$ (7)	\$ 53
Liabilities	\$ 108	\$ (77)	\$ 31	\$ (7)	\$ 24

The effective portions of our derivatives qualifying and designated as hedging instruments recognized in other comprehensive (loss) income were as follows (in millions):

	Three Months Ended August 31,		Nine months ended August 31,	
	2014	2013	2014	2013
Net investment hedges	\$ 3	\$ (2)	\$ 3	\$ (4)
Foreign currency zero cost collars – cash flow hedges	\$ (5)	\$ (1)	\$ (11)	\$ 6
Interest rate swaps – cash flow hedges	\$ (11)	\$ 10	\$ (26)	\$ 13

There are no credit risk related contingent features in our derivative agreements, except for bilateral credit provisions within our fuel derivative counterparty agreements. These provisions require interest-bearing, non-restricted cash to be posted or received as collateral to the extent the fuel derivative fair value payable to or receivable from an individual counterparty, respectively, exceeds \$100 million. At August 31, 2014 and November 30, 2013, no collateral was required to be posted to or received from our fuel derivative counterparties.

The amount of estimated cash flow hedges' unrealized gains and losses that are expected to be reclassified to earnings in the next twelve months is not significant. We have not provided additional disclosures of the impact that derivative instruments and hedging activities have on our consolidated financial statements as of August 31, 2014 and November 30, 2013 and for the three and nine months ended August 31, 2014 and 2013 where such impacts were not significant.

## Foreign Currency Exchange Rate Risks

### Overall Strategy

We manage our exposure to fluctuations in foreign currency exchange rates through our normal operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative and nonderivative financial instruments. Our primary focus is to manage the economic foreign currency exchange risks faced by our operations, which are the ultimate foreign currency exchange risks that would be realized by us if we exchanged one currency for another, and not accounting risks. Accordingly, we do not currently hedge foreign currency exchange accounting risks with derivative financial instruments. The financial impacts of the hedging instruments we do employ generally offset the changes in the underlying exposures being hedged.

### Operational and Investment Currency Risks

Our European and Australian cruise brands subject us to foreign currency translation risk related to the euro, sterling and Australian dollar because these brands generate significant revenues and incur significant expenses in euro, sterling or the Australian dollar. Accordingly, exchange rate fluctuations of the euro, sterling and Australian dollar against the U.S. dollar will

affect our reported financial results since the reporting currency for our consolidated financial statements is the U.S. dollar. Any strengthening of the U.S. dollar against these foreign currencies has the financial statement effect of decreasing the U.S. dollar values reported for cruise revenues and expenses. Any weakening of the U.S. dollar has the opposite effect.

Most of our brands also have non-functional currency risk related to their international sales operations, which has become an increasingly larger part of most of their businesses over time, and primarily includes the euro, sterling and Australian, Canadian and U.S. dollars. In addition, all of our brands have non-functional currency expenses for a portion of their operating expenses. Accordingly, these brands' revenues and expenses in non-functional currencies create some degree of natural offset for recognized transactional currency gains and losses due to currency exchange movements.

We consider our investments in foreign operations to be denominated in relatively stable currencies and of a long-term nature. We partially mitigate our net investment currency exposures by denominating a portion of our foreign currency intercompany payables in our foreign operations' functional currencies, substantially all sterling. As of August 31, 2014 and November 30, 2013, we have designated \$2.4 billion and \$2.2 billion, respectively, of our foreign currency intercompany payables as nonderivative hedges of our net investments in foreign operations. Accordingly, we have included \$209 million and \$234 million of cumulative foreign currency transaction nonderivative gains in the cumulative translation adjustment component of AOCI at August 31, 2014 and November 30, 2013, respectively, which offsets a portion of the losses recorded in AOCI upon translating our foreign operations' net assets into U.S. dollars. During the three and nine months ended August 31, 2014 and 2013, we recognized foreign currency nonderivative transaction gains (losses) of \$14 million (\$22 million in 2013) and \$(25) million (\$83 million in 2013), respectively, in the cumulative translation adjustment component of AOCI.

### **Newbuild Currency Risks**

Our shipbuilding contracts are typically denominated in euros. Our decisions regarding whether or not to hedge a non-functional currency ship commitment for our cruise brands are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility, currency exchange rate correlation, economic trends, our overall expected net cash flows by currency and other offsetting risks. We use foreign currency derivative contracts and have used nonderivative financial instruments to manage foreign currency exchange rate risk for some of our ship construction payments.

In July 2012, we entered into foreign currency zero cost collars that are designated as cash flow hedges for a portion of P&O Cruises (UK) *Britannia's* euro-denominated shipyard payments. These collars mature in February 2015 at a weighted-average ceiling rate of £0.83 to the euro, or \$304 million, and a weighted-average floor rate of £0.77 to the euro, or \$282 million. In June 2014, we entered into foreign currency zero cost collars that are also designated as cash flow hedges for the remaining portion of *Britannia's* euro-denominated shipyard payments. These collars also mature in February 2015 at a weighted-average ceiling rate of £0.81 to the euro, or \$298 million, and a weighted-average floor rate of £0.79 to the euro, or \$291 million. If the spot rate is between the weighted-average ceiling and floor rates on the date of maturity, then we would not owe or receive any payments under these collars.

At August 31, 2014, substantially all of our remaining newbuild currency exchange rate risk relates to euro-denominated newbuild construction payments for a Seabourn and a Princess newbuild, which represent a total unhedged commitment of \$1.1 billion.

The cost of shipbuilding orders that we may place in the future that is denominated in a different currency than our cruise brands' or the shipyards' functional currency is expected to be affected by foreign currency exchange rate fluctuations. These foreign currency exchange rate fluctuations may affect our desire to order new cruise ships.

### **Interest Rate Risks**

We manage our exposure to fluctuations in interest rates through our investment and debt portfolio management strategies. These strategies include purchasing high quality short-term investments with floating interest rates, and evaluating our debt portfolio as to whether to make periodic adjustments to the mix of fixed and floating rate debt through the use of interest rate swaps and the issuance of new debt or the early retirement of existing debt. At August 31, 2014, 61% and 39% (59% and 41% at November 30, 2013) of our debt bore fixed and floating interest rates, respectively, including the effect of interest rate swaps.

### **Fuel Price Risks**

Our exposure to market risk for changes in fuel prices substantially all relates to the consumption of fuel on our ships. We use our fuel derivatives program to mitigate a portion of our economic risk attributable to potential fuel price increases. We designed our fuel derivatives program to maximize operational flexibility by utilizing derivative markets with significant trading liquidity and our program currently consists of zero cost collars on Brent.

All of our derivatives are based on Brent prices whereas the actual fuel used on our ships is marine fuel. Changes in the Brent prices may not show a high degree of correlation with changes in our underlying marine fuel prices. We will not realize any economic gain or loss upon the monthly maturities of our zero cost collars unless the average monthly price of Brent is above the ceiling price or below the floor price. We believe that these derivatives will act as economic hedges; however, hedge accounting is not applied. As part of our fuel derivatives program, we will continue to evaluate various derivative products and strategies.

At August 31, 2014, our outstanding fuel derivatives consisted of zero cost collars on Brent to cover a portion of our estimated fuel consumption as follows:

<b>Maturities (a)</b>	<b>Transaction Dates</b>	<b>Barrels (in thousands)</b>	<b>Weighted-Average Floor Prices</b>	<b>Weighted-Average Ceiling Prices</b>	<b>Percent of Estimated Fuel Consumption Covered</b>
<b>Fiscal 2014 (Q4)</b>					
	November 2011	528	\$ 85	\$ 114	
	February 2012	528	\$ 88	\$ 125	
	June 2012	594	\$ 71	\$ 116	
	May 2013	432	\$ 85	\$ 108	
		<u>2,082</u>			44%
<b>Fiscal 2015</b>					
	November 2011	2,160	\$ 80	\$ 114	
	February 2012	2,160	\$ 80	\$ 125	
	June 2012	1,236	\$ 74	\$ 110	
	April 2013	1,044	\$ 80	\$ 111	
	May 2013	1,884	\$ 80	\$ 110	
		<u>8,484</u>			45%
<b>Fiscal 2016</b>					
	June 2012	3,564	\$ 75	\$ 108	
	February 2013	2,160	\$ 80	\$ 120	
	April 2013	3,000	\$ 75	\$ 115	
		<u>8,724</u>			45%
<b>Fiscal 2017</b>					
	February 2013	3,276	\$ 80	\$ 115	
	April 2013	2,028	\$ 75	\$ 110	
	January 2014	1,800	\$ 75	\$ 114	
		<u>7,104</u>			37%
<b>Fiscal 2018</b>					
	January 2014	2,700	\$ 75	\$ 110	14%

(a) Fuel derivatives mature evenly over each month within the above fiscal periods.

### Concentrations of Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Our maximum exposure under foreign currency and fuel derivative contracts and interest rate swap agreements that are in-the-money, which were not material at August 31, 2014, is the replacement cost, net of any collateral received or contractually allowed offset, in the event of nonperformance by the counterparties to the contracts, all of which are currently our lending banks. We seek to minimize credit risk exposure, including counterparty nonperformance primarily associated with our cash equivalents, investments, committed financing facilities, contingent obligations, derivative instruments, insurance contracts and new ship progress payment guarantees, by normally conducting business with large, well-established financial institutions, insurance companies and export credit agencies, and by diversifying our counterparties. In addition, we have guidelines regarding credit ratings and investment maturities that we follow to help safeguard liquidity and minimize risk. We normally do require collateral and/or guarantees to



support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards. We currently believe the risk of nonperformance by any of our significant counterparties is remote.

We also monitor the creditworthiness of travel agencies and tour operators in Europe and Australia and credit card providers to which we extend credit in the normal course of our business. Our credit exposure includes contingent obligations related to cash payments received directly by travel agents and tour operators for cash collected by them on cruise sales in most of Europe and Australia where we are obligated to extend credit in a like amount to these guests even if we do not receive payment from the travel agents and tour operators. Concentrations of credit risk associated with these receivables and contingent obligations are not considered to be material, primarily due to the large number of unrelated accounts within our customer base, the amount of these contingent obligations and their short maturities. We have experienced only minimal credit losses on our trade receivables and related contingent obligations. We do not normally require collateral or other security to support normal credit sales.

#### **NOTE 5 – Segment Information**

We have three reportable cruise segments that are comprised of our (1) North America cruise brands, (2) EAA cruise brands and (3) Cruise Support. In addition, we have a Tour and Other segment. Our segments are reported on the same basis as the internally reported information that is provided to our chief operating decision maker (“CODM”), who is the President and Chief Executive Officer of Carnival Corporation and Carnival plc. Decisions to allocate resources and assess performance for Carnival Corporation & plc are made by the CODM upon review of the segment results across all of our cruise brands and other segments.

Our North America cruise segment includes Carnival Cruise Lines, Holland America Line, Princess and Seabourn. Our EAA cruise segment includes AIDA, Costa, Cunard, Ibero, P&O Cruises (Australia) and P&O Cruises (UK). These individual cruise brand operating segments have been aggregated into two reportable segments based on the similarity of their economic and other characteristics, including types of customers, regulatory environment, maintenance requirements, supporting systems and processes and products and services they provide. Our Cruise Support segment represents certain of our port and related facilities and other corporate-wide services that are provided for the benefit of our cruise brands. Our Tour and Other segment represents the hotel and transportation operations of Holland America Princess Alaska Tours. Our Tour and Other segment also included two ships that we chartered to an unaffiliated entity. In April 2013, we sold one of these two ships and recognized a \$15 million gain as a reduction of Tour and Other operating expenses for the second quarter of 2013. Accordingly subsequent to this 2013 sale, our Tour and Other segment includes only one ship.

Selected information for our segments was as follows (in millions):

	Three Months Ended August 31,				
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
<b>2014</b>					
North America Cruise Brands (a)	\$ 3,035	\$ 1,791	\$ 271	\$ 243	\$ 730
EAA Cruise Brands	1,839	977	163	156	543
Cruise Support	25	(2)	45	6	(24)
Tour and Other (a)	144	84	2	9	49
Intersegment elimination (a)	(96)	(96)	—	—	—
	<u>\$ 4,947</u>	<u>\$ 2,754</u>	<u>\$ 481</u>	<u>\$ 414</u>	<u>\$ 1,298</u>
<b>2013</b>					
North America Cruise Brands (a)	\$ 2,975	\$ 1,820	\$ 248	\$ 235	\$ 672
EAA Cruise Brands	1,704	1,133	163	156	239 (b)
Cruise Support	23	(2)	25	7	(7)
Tour and Other (a)	141	83	3	8	47
Intersegment elimination (a)	(117)	(117)	—	—	—
	<u>\$ 4,726</u>	<u>\$ 2,917</u>	<u>\$ 439</u>	<u>\$ 406</u>	<u>\$ 951</u>
<b>Nine Months Ended August 31,</b>					
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
<b>2014</b>					
North America Cruise Brands (a)	\$ 7,321	\$ 4,898	\$ 848	\$ 716	\$ 859
EAA Cruise Brands	4,709	2,989	529	465	726
Cruise Support	63	(1)	124	20	(80)
Tour and Other (a)	182	130	6	26	20
Intersegment elimination (a)	(110)	(110)	—	—	—
	<u>\$ 12,165</u>	<u>\$ 7,906</u>	<u>\$ 1,507</u>	<u>\$ 1,227</u>	<u>\$ 1,525</u>
<b>2013</b>					
North America Cruise Brands (a)	\$ 7,212	\$ 4,837	\$ 762	\$ 691	\$ 922
EAA Cruise Brands	4,464	3,147	494	449	361 (b)
Cruise Support	73	34	85	18	(64)
Tour and Other (a)	177	113	6	28	30
Intersegment elimination (a)	(128)	(128)	—	—	—
	<u>\$ 11,798</u>	<u>\$ 8,003</u>	<u>\$ 1,347</u>	<u>\$ 1,186</u>	<u>\$ 1,249</u>

(a) A portion of the North America cruise brands' segment revenues includes revenues for the tour portion of a cruise when a land tour package is sold along with a cruise by either Holland America Line or Princess. These intersegment tour revenues, which are included in our Tour and Other segment, are eliminated directly against the North America cruise brands' segment revenues and operating expenses in the line "Intersegment elimination."

(b) Includes a \$13 million impairment charge related to Ibero's trademarks.

**NOTE 6 – Earnings Per Share**

Our basic and diluted earnings per share were computed as follows (in millions, except per share data):

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2014	2013	2014	2013
Net income for basic and diluted earnings per share	\$ 1,247	\$ 934	\$ 1,338	\$ 1,012
Weighted-average common and ordinary shares outstanding	776	775	776	775
Dilutive effect of equity plans	2	2	2	2
Diluted weighted-average shares outstanding	778	777	778	777
Basic earnings per share	\$ 1.61	\$ 1.20	\$ 1.72	\$ 1.31
Diluted earnings per share	\$ 1.60	\$ 1.20	\$ 1.72	\$ 1.30
Anti-dilutive equity awards excluded from diluted earnings per share computations	3	5	3	5

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### **Cautionary Note Concerning Factors That May Affect Future Results**

Some of the statements, estimates or projections contained in this joint Quarterly Report on Form 10-Q are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlooks, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts are statements that could be deemed forward-looking. These statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and the beliefs and assumptions of our management. We have tried, whenever possible, to identify these statements by using words like "will," "may," "could," "should," "would," "believe," "depends," "expect," "goal," "anticipate," "forecast," "project," "future," "intend," "plan," "estimate," "target," "indicate" and similar expressions of future intent or the negative of such terms.

Forward-looking statements include those statements that may impact, among other things, the forecasting of our non-GAAP earnings per share; net revenue yields; booking levels; pricing; occupancy; operating, financing and tax costs, including fuel expenses; net cruise costs per available lower berth day; estimates of ship depreciable lives and residual values; liquidity; goodwill, ship and trademark fair values and outlook. Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in this joint Quarterly Report on Form 10-Q. These factors include, but are not limited to, the following:

- general economic and business conditions;
- increases in fuel prices;
- incidents, the spread of contagious diseases and threats thereof, adverse weather conditions or other natural disasters and other incidents affecting the health, safety, security and satisfaction of guests and crew;
- the international political climate, armed conflicts, terrorist and pirate attacks, vessel seizures, and threats thereof, and other world events affecting the safety and security of travel;
- negative publicity concerning the cruise industry in general or us in particular, including any adverse environmental impacts of cruising;
- litigation, enforcement actions, fines or penalties;
- economic, market and political factors that are beyond our control, which could increase our operating, financing and other costs;
- changes in and compliance with laws and regulations relating to the protection of persons with disabilities, employment, environment, health, safety, security, tax and other regulations under which we operate;
- our inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments on terms that are favorable or consistent with our expectations;
- increases to our repairs and maintenance expenses and refurbishment costs as our fleet ages;
- lack of continuing availability of attractive, convenient and safe port destinations on terms that are favorable or consistent with our expectations;
- continuing financial viability of our travel agent distribution system, air service providers and other key vendors in our supply chain and reductions in the availability of, and increases in the prices for, the services and products provided by these vendors;
- disruptions and other damages to our information technology and other networks and operations, and breaches in data security;
- failure to keep pace with developments in technology;
- competition from and overcapacity in the cruise ship and land-based vacation industry;
- loss of key personnel or our ability to recruit or retain qualified personnel;
- union disputes and other employee relation issues;
- disruptions in the global financial markets or other events that may negatively affect the ability of our counterparties and others to perform their obligations to us;
- the continued strength of our cruise brands and our ability to implement our brand strategies;
- additional risks to our international operations not generally applicable to our U.S. operations;
- geographic regions in which we try to expand our business may be slow to develop and ultimately not develop how we expect;
- our decisions to self-insure against various risks or our inability to obtain insurance for certain risks at reasonable rates;
- fluctuations in foreign currency exchange rates;
- whether our future operating cash flow will be sufficient to fund future obligations and whether we will be able to obtain financing, if necessary, in sufficient amounts and on terms that are favorable or consistent with our expectations;
- risks associated with the dual listed company arrangement and
- uncertainties of a foreign legal system as Carnival Corporation and Carnival plc are not U.S. corporations.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this joint Quarterly Report on Form 10-Q, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

## Outlook

On September 23, 2014, we said that we expected our non-GAAP diluted earnings per share for the 2014 fourth quarter and full year to be in the ranges of \$0.15 to \$0.19 and \$1.84 to \$1.88, respectively (see “Key Performance Non-GAAP Financial Indicators”). Our 2014 fourth quarter guidance was based on fuel prices of \$635 per metric ton. In addition, our guidance was based on 2014 fourth quarter currency rates of \$1.30 to the euro, \$1.63 to sterling and \$0.94 to the Australian dollar. The fuel and currency assumptions used in our guidance change daily and, accordingly, our forecasts change daily based on the changes in these assumptions.

For the first half of 2015, cumulative advance bookings are ahead of the prior year at higher prices, and for the full year 2015, we expect net revenue yield growth. For the full year 2015, net cruise costs excluding fuel per available lower berth day (“ALBD”) are expected to increase approximately 3% due primarily to a significantly higher level of dry-dock days scheduled in 2015 to install new air emissions technology as well as other technology designed to improve fuel efficiency. We expect the exhaust gas cleaning system or scrubber technology will be installed on 70% of our fleet by 2016, thus enabling us to meet the 2015 stricter air emissions standards as well as mitigate escalating fuel costs that will result from the new requirements. We anticipate the new regulations will result in higher fuel costs in full year 2015 of approximately \$0.10 per share with that increase expected to be reduced by half in 2016 and mostly offset in 2017 based on the system roll-out. Also, in 2016, we will revert back to a lower level of dry-dock days, which will offset approximately two-thirds of the increase in 2015 net cruise costs excluding fuel.

The above forward-looking statements involve risks, uncertainties and assumptions with respect to us. There are many factors that could cause our actual results to differ materially from those expressed above including, but not limited to, general economic and business conditions, increases in fuel prices, incidents, spread of contagious diseases, adverse weather conditions, geo-political events, negative publicity and other factors that could adversely impact our revenues, costs and expenses. You should read the above forward-looking statements together with the discussion of these and other risks under “Cautionary Note Concerning Factors That May Affect Future Results.”

## Critical Accounting Estimates

For a discussion of our critical accounting estimates, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” that is included in the 2013 Form 10-K.

Ibero’s *Grand Holiday* is currently operating and being marketed for sale. At May 31, 2014 and August 31, 2014, *Grand Holiday*’s estimated undiscounted future cash flows exceeded its net carrying value and, therefore, no ship impairment charge was required. There have not been any events or circumstances subsequent to August 31, 2014 that we believe would require an impairment charge for this ship. However, if *Grand Holiday* is sold for less than its carrying value, a ship impairment charge will be incurred.

For a discussion of our impairment charge recognized during the second quarter of 2014 for Ibero’s *Grand Celebration*, as well as the results of our annual goodwill and trademark impairment reviews as of July 31, 2014, see “Note 4 - Fair Value Measurements, Derivative Instruments and Hedging Activities” in the accompanying consolidated financial statements.

## Seasonality

Our revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during our third quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher ticket prices and occupancy levels and, accordingly, the largest share of our operating income is earned during this period. The seasonality of our results also increases due to ships being taken out of service for maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours’ revenue and net income is generated from May through September in conjunction with the Alaska cruise season.

**Statistical Information**

	<b>Three Months Ended August 31,</b>		<b>Nine Months Ended August 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
ALBDs (in thousands) (a) (b)	19,671	19,248	56,830	55,220
Occupancy percentage (c)	109.1%	110.7%	104.8%	106.1%
Passengers carried (in thousands)	2,983	2,881	7,943	7,550
Fuel consumption in metric tons (in thousands)	797	807	2,400	2,447
Fuel consumption in metric tons per ALBD	0.041	0.042	0.042	0.044
Fuel cost per metric ton consumed	\$ 650	\$ 674	\$ 654	\$ 678
<b>Currencies</b>				
U.S. dollar to €1	\$ 1.35	\$ 1.32	\$ 1.36	\$ 1.32
U.S. dollar to £1	\$ 1.69	\$ 1.54	\$ 1.67	\$ 1.55
U.S. dollar to Australian dollar	\$ 0.94	\$ 0.92	\$ 0.92	\$ 1.00

- (a) ALBD is a standard measure of passenger capacity for the period that we use to approximate rate and capacity variances, based on consistently applied formulas, that we use to perform analyses to determine the main non-capacity driven factors that cause our cruise revenues and expenses to vary. ALBDs assume that each cabin we offer for sale accommodates two passengers and is computed by multiplying passenger capacity by revenue-producing ship operating days in the period.
- (b) For the three months ended August 31, 2014 compared to the three months ended August 31, 2013, we had a 2.2% capacity increase in ALBDs comprised of a 3.9% capacity increase in our North America brands, partially offset by a minor capacity decrease in our EAA brands. Our North America brands' capacity increase was caused by the full quarter impact from one Princess 3,560-passenger capacity ship delivered in 2014.
- For the nine months ended August 31, 2014 compared to the nine months ended August 31, 2013, we had a 2.9% capacity increase in ALBDs comprised of a 4.9% capacity increase in our North America brands, partially offset by a minor capacity decrease in our EAA brands.
- Our North America brands' capacity increase was caused by:
- the full period impact from one Princess 3,560-passenger capacity ship delivered in 2013;
  - the partial period impact from one Princess 3,560-passenger capacity ship delivered in 2014 and
  - less dry-dock days in 2014 compared to 2013.
- (c) In accordance with cruise industry practice, occupancy is calculated using a denominator of ALBDs, which assumes two passengers per cabin even though some cabins can accommodate three or more passengers. Percentages in excess of 100% indicate that on average more than two passengers occupied some cabins.

**Three Months Ended August 31, 2014 ("2014") Compared to Three Months Ended August 31, 2013 ("2013")**
**Revenues**
**Consolidated**

Cruise passenger ticket revenues made up 75% of our 2014 total revenues. Cruise passenger ticket revenues increased by \$121 million, or 3.4%, to \$3.7 billion in 2014 from \$3.6 billion in 2013.

This increase was caused by:

- \$79 million - 2.2% capacity increase in ALBDs;
- \$71 million - increase in cruise ticket pricing and
- \$59 million - translation impact from a weaker U.S. dollar against the euro, sterling and the Australian dollar ("currency impact").

These increases were partially offset by:

- \$55 million - 1.7 percentage point decrease in occupancy and
- \$32 million - decrease in air transportation revenues from guests who purchased their tickets from us.

The remaining 25% of 2014 total revenues were substantially all comprised of onboard and other cruise revenues, which increased by \$97 million, or 9.8%, to \$1.1 billion in 2014 from \$987 million in 2013.

This increase was principally due to:

- \$48 million - higher onboard spending by our guests;
- \$22 million - 2.2% capacity increase in ALBDs and
- \$12 million - currency impact.

These increases were partially offset by:

- \$15 million - 1.7 percentage point decrease in occupancy.

Onboard and other revenues included concession revenues of \$335 million in 2014 and \$336 million in 2013.

#### **North America Brands**

Cruise passenger ticket revenues made up 75% of our 2014 total revenues. Cruise passenger ticket revenues of \$2.2 billion in 2014 were essentially flat compared to 2013.

There were increases caused by:

- \$85 million - 3.9% capacity increase in ALBDs and
- \$14 million - increase in cruise ticket pricing.

These increases were offset by:

- \$56 million - 2.8 percentage point decrease in occupancy and
- \$41 million - decrease in air transportation revenues from guests who purchased their tickets from us.

The remaining 25% of 2014 total revenues were comprised of onboard and other cruise revenues, which increased by \$82 million, or 12%, to \$742 million in 2014 from \$660 million in 2013. This increase was primarily due to higher onboard spending by our guests, which accounted for \$41 million, and our 3.9% capacity increase in ALBD, which accounted for \$26 million, partially offset by a 2.8 percentage point decrease in occupancy, which accounted for \$17 million. Onboard and other revenues included concession revenues of \$226 million in 2014 and \$229 million in 2013.

#### **EAA Brands**

Cruise passenger ticket revenues made up 83% of our 2014 total revenues. Cruise passenger ticket revenues increased by \$123 million, or 8.8%, to \$1.5 billion in 2014 from \$1.4 billion in 2013. This increase was substantially due to an increase in currency impact, which accounted for \$59 million, and an increase in cruise ticket pricing, which accounted for \$57 million. Our cruise ticket pricing increase was driven by improvements at our continental European brands.

The remaining 17% of 2014 total revenues were comprised of onboard and other cruise revenues, which increased by \$12 million, or 4.0%, to \$315 million in 2014 from \$303 million in 2013. This increase was caused by an increase in currency impact, which accounted for \$12 million. Onboard and other revenues included concession revenues of \$109 million in 2014 and \$107 million in 2013.

### **Costs and Expenses**

#### **Consolidated**

Operating costs and expenses decreased by \$163 million, or 5.6%, to \$2.8 billion in 2014 from \$2.9 billion in 2013.

This decrease was caused by:

- \$176 million - nonrecurrence in 2014 of impairment charges related to *Costa Classica* and *Costa Voyager*;
- \$39 million - decrease in air transportation costs related to guests who purchased their tickets from us;
- \$38 million - lower dry-dock and other ship repair and maintenance expenses;
- \$19 million - lower fuel prices;
- \$18 million - lower fuel consumption per ALBD and
- \$16 million - 1.7 percentage point decrease in occupancy.

These decreases were partially offset by:

- \$62 million - 2.2% capacity increase in ALBDs;

- \$33 million - currency impact and
- \$48 million - various other operating expenses, net.

Selling and administrative expenses increased by \$42 million, or 9.6%, to \$481 million in 2014 from \$439 million in 2013.

Depreciation and amortization expenses increased by \$8 million, or 2.0%, to \$414 million in 2014 from \$406 million in 2013.

Our total costs and expenses as a percentage of revenues decreased to 73.8% in 2014 from 79.9% in 2013. Our total costs and expenses as a percentage of revenues decreased to 73.8% in 2014 from 76.2% in 2013, excluding the 2013 ship impairment charges related to *Costa Classica* and *Costa Voyager*.

#### **North America Brands**

Operating costs and expenses decreased slightly by \$8 million and remained at \$1.7 billion in both 2014 and 2013.

This decrease was caused by:

- \$44 million - decrease in air transportation costs related to guests who purchased their tickets from us;
- \$32 million - lower dry-dock and other ship repair and maintenance expenses;
- \$18 million - 2.8 percentage point decrease in occupancy;
- \$15 million - lower fuel prices and
- \$10 million - lower fuel consumption per ALBD.

These decreases were partially offset by:

- \$66 million - 3.9% capacity increase in ALBDs and
- \$45 million - various other operating expenses, net.

Our total costs and expenses as a percentage of revenues decreased to 75.2% in 2014 from 76.5% in 2013.

#### **EAA Brands**

Operating costs and expenses decreased by \$156 million, or 14%, to \$977 million in 2014 from \$1.1 billion in 2013.

This decrease was caused by:

- \$176 million - nonrecurrence in 2014 of impairment charges related to *Costa Classica* and *Costa Voyager*;
- \$9 million - lower fuel consumption per ALBD and
- \$28 million - various other operating expenses, net.

These decreases were partially offset by:

- \$33 million - currency impact and
- \$24 million - increases in commissions, transportation and other related expenses.

Our total costs and expenses as a percentage of revenues decreased to 70.5% in 2014 from 86.0% in 2013. Our total costs and expenses as a percentage of revenues decreased to 70.5% in 2014 from 75.6% in 2013, excluding the 2013 ship impairment charges related to *Costa Classica* and *Costa Voyager*.

#### **Operating Income**

Our consolidated operating income increased by \$347 million, or 36%, to \$1.3 billion in 2014 from \$951 million in 2013. Our North America brands' operating income increased by \$58 million, or 8.6%, to \$730 million in 2014 from \$672 million in 2013, and our EAA brands' operating income increased by \$304 million, or 127%, to \$543 million in 2014 from \$239 million in 2013. These changes were primarily due to the reasons discussed above.

#### **Nonoperating Income**

Net gains on fuel derivatives were \$15 million and \$64 million in 2014 and 2013, respectively.

#### **Key Performance Non-GAAP Financial Indicators**

We use net cruise revenues per ALBD ("net revenue yields"), net cruise costs per ALBD and net cruise costs excluding fuel per ALBD as significant non-GAAP financial measures of our cruise segments' financial performance. These measures enable us to



separate the impact of predictable capacity changes from the more unpredictable rate changes that affect our business and gains and losses on ship sales and ship impairments, net that are not part of our core operating business. We believe these non-GAAP measures provide useful information to investors and expanded insight to measure our revenue and cost performance as a supplement to our U.S. generally accepted accounting principles (“U.S. GAAP”) consolidated financial statements.

Net revenue yields are commonly used in the cruise industry to measure a company’s cruise segment revenue performance and for revenue management purposes. We use “net cruise revenues” rather than “gross cruise revenues” to calculate net revenue yields. We believe that net cruise revenues is a more meaningful measure in determining revenue yield than gross cruise revenues because it reflects the cruise revenues earned net of our most significant variable costs, which are travel agent commissions, cost of air and other transportation, certain other costs that are directly associated with onboard and other revenues and credit card fees. Substantially all of our remaining cruise costs are largely fixed, except for the impact of changing prices and food expenses, once our ship capacity levels have been determined.

Net passenger ticket revenues reflect gross passenger ticket revenues, net of commissions, transportation and other costs. Net onboard and other revenues reflect gross onboard and other revenues, net of onboard and other cruise costs. Net passenger ticket revenue yields and net onboard and other revenue yields are computed by dividing net passenger ticket revenues and net onboard and other revenues by ALBDs.

Net cruise costs per ALBD and net cruise costs excluding fuel per ALBD are the most significant measures we use to monitor our ability to control our cruise segments’ costs rather than gross cruise costs per ALBD. We exclude the same variable costs that are included in the calculation of net cruise revenues to calculate net cruise costs with and without fuel to avoid duplicating these variable costs in our non-GAAP financial measures. In addition, we exclude gains and losses on ship sales and ship impairments, net from our calculation of net cruise costs with and without fuel as they are not considered part of our core operating business and, therefore, are not an indication of our future earnings performance. As such, we also believe it is more meaningful for gains and losses on ship sales and ship impairments, net to be excluded from our net income and earnings per share and, accordingly, we present non-GAAP net income and non-GAAP earnings per share excluding these items.

In addition, because our EAA cruise brands utilize the euro, sterling and Australian dollar to measure their results and financial condition, the translation of those operations to our U.S. dollar reporting currency results in decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies and increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies. Accordingly, we also monitor and report these non-GAAP financial measures assuming the 2014 periods’ currency exchange rates have remained constant with the 2013 periods’ rates, or on a “constant dollar basis,” in order to remove the impact of changes in exchange rates on the translation of our EAA brands. We believe that this is a useful measure since it facilitates a comparative view of the changes in our business in a fluctuating currency exchange rate environment.

We believe that the trademark and other impairment charges recognized in the three and nine months ended August 31, 2013 are special charges and, therefore, are not an indication of our future earnings performance. As such, we believe it is more meaningful for these impairment charges to be excluded from our net income and earnings per share and, accordingly, we present non-GAAP net income and non-GAAP earnings per share excluding these impairment charges.

Under U.S. GAAP, the realized and unrealized gains and losses on fuel derivatives not qualifying as fuel hedges are recognized currently in earnings. We believe that unrealized gains and losses on fuel derivatives are not an indication of our earnings performance since they relate to future periods and may not ultimately be realized in our future earnings. Therefore, we believe it is more meaningful for the unrealized gains and losses on fuel derivatives to be excluded from our net income and earnings per share and, accordingly, we present non-GAAP net income and non-GAAP earnings per share excluding these unrealized gains and losses.

We have not included in our earnings guidance the impact of unrealized gains and losses on fuel derivatives because these unrealized amounts involve a significant amount of uncertainty, and we do not believe they are an indication of our future earnings performance. Accordingly, our earnings guidance is presented on a non-GAAP basis only. As a result, we did not present a reconciliation between forecasted non-GAAP diluted earnings per share guidance and forecasted U.S. GAAP diluted earnings per share guidance, since we do not believe that the reconciliation information would be meaningful. However, we do forecast realized gains and losses on fuel derivatives by applying current Brent prices to the derivatives that settle in the forecast period.

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The presentation of our non-GAAP financial information is not intended to be considered in isolation from, as substitute for, or superior to the financial information prepared in accordance with U.S. GAAP. There are no specific rules for determining our non-GAAP current and constant dollar financial measures and, accordingly, they are susceptible to varying calculations, and it is possible that they may not be exactly comparable to the like-kind information presented by other companies, which is a potential risk associated with using these measures to compare us to other companies.

Consolidated gross and net revenue yields were computed by dividing the gross and net cruise revenues by ALBDs as follows (dollars in millions, except yields):

	Three Months Ended August 31,		
	2014	2014 Constant Dollar	2013
Passenger ticket revenues	\$ 3,719	\$ 3,659	\$ 3,598
Onboard and other revenues	1,084	1,072	987
<b>Gross cruise revenues</b>	<b>4,803</b>	<b>4,731</b>	<b>4,585</b>
Less cruise costs			
Commissions, transportation and other	(638)	(628)	(654)
Onboard and other	(165)	(163)	(144)
	<b>(803)</b>	<b>(791)</b>	<b>(798)</b>
Net passenger ticket revenues	3,081	3,031	2,944
Net onboard and other revenues	919	909	843
<b>Net cruise revenues</b>	<b>\$ 4,000</b>	<b>\$ 3,940</b>	<b>\$ 3,787</b>
<b>ALBDs</b>	<b>19,671,265</b>	<b>19,671,265</b>	<b>19,248,129</b>
<b>Gross revenue yields</b>	<b>\$ 244.14</b>	<b>\$ 240.52</b>	<b>\$ 238.20</b>
% increase vs. 2013	2.5%	1.0%	
<b>Net revenue yields</b>	<b>\$ 203.35</b>	<b>\$ 200.30</b>	<b>\$ 196.79</b>
% increase vs. 2013	3.3%	1.8%	
<b>Net passenger ticket revenue yields</b>	<b>\$ 156.62</b>	<b>\$ 154.08</b>	<b>\$ 152.96</b>
% increase vs. 2013	2.4%	0.7%	
<b>Net onboard and other revenue yields</b>	<b>\$ 46.74</b>	<b>\$ 46.23</b>	<b>\$ 43.83</b>
% increase vs. 2013	6.6%	5.5%	

Consolidated gross and net cruise costs and net cruise costs excluding fuel per ALBD were computed by dividing the gross and net cruise costs and net cruise costs excluding fuel by ALBDs as follows (dollars in millions, except costs per ALBD):

	Three Months Ended August 31,		
	2014	2014 Constant Dollar	2013
Cruise operating expenses	\$ 2,670	\$ 2,637	\$ 2,834
Cruise selling and administrative expenses	479	473	436
<b>Gross cruise costs</b>	<b>3,149</b>	<b>3,110</b>	<b>3,270</b>
Less cruise costs included above			
Commissions, transportation and other	(638)	(628)	(654)
Onboard and other	(165)	(163)	(144)
Ship impairments	—	—	(176)
<b>Net cruise costs</b>	<b>2,346</b>	<b>2,319</b>	<b>2,296</b>
Less fuel	(518)	(518)	(544)
<b>Net cruise costs excluding fuel</b>	<b>\$ 1,828</b>	<b>\$ 1,801</b>	<b>\$ 1,752</b>
<b>ALBDs</b>	<b>19,671,265</b>	<b>19,671,265</b>	<b>19,248,129</b>
<b>Gross cruise costs per ALBD</b>	<b>\$ 160.11</b>	<b>\$ 158.08</b>	<b>\$ 169.89</b>
% decrease vs. 2013	(5.8)%	(7.0)%	
<b>Net cruise costs per ALBD</b>	<b>\$ 119.32</b>	<b>\$ 117.86</b>	<b>\$ 119.34</b>
% decrease vs. 2013	0.0%	(1.2)%	
<b>Net cruise costs excluding fuel per ALBD</b>	<b>\$ 92.97</b>	<b>\$ 91.51</b>	<b>\$ 91.09</b>
% increase vs. 2013	2.1%	0.5%	

Non-GAAP fully diluted earnings per share was computed as follows (in millions, except per share data):

	Three Months Ended	
	August 31,	
	2014	2013
<b>Net income - diluted</b>		
<b>U.S. GAAP net income</b>	\$ 1,247	\$ 934
Ship impairments	—	176
Trademark and other impairment charges	—	27 (a)
Unrealized gains on fuel derivatives, net	(15)	(64)
<b>Non-GAAP net income</b>	<u>\$ 1,232</u>	<u>\$ 1,073</u>
<b>Weighted-average shares outstanding - diluted</b>	<u>778</u>	<u>777</u>

<b>Earnings per share - diluted</b>		
<b>U.S. GAAP earnings per share</b>	\$ 1.60	\$ 1.20
Ship impairments	—	0.23
Trademark and other impairment charges	—	0.03
Unrealized gains on fuel derivatives, net	(0.02)	(0.08)
<b>Non-GAAP earnings per share</b>	<u>\$ 1.58</u>	<u>\$ 1.38</u>

(a) Includes impairments of \$13 million for Ibero's remaining trademarks and \$14 million related to an investment.

Net cruise revenues increased by \$213 million, or 5.6%, to \$4.0 billion in 2014 from \$3.8 billion in 2013. This increase was caused by our 2.2% capacity increase in ALBDs, which accounted for \$83 million, a 1.8% increase in constant dollar net revenue yields, which accounted for \$68 million, and the currency impact, which accounted for \$60 million. The 1.8% increase in net revenue yields on a constant dollar basis, despite a 1.7 percentage point decrease in occupancy, was caused by a slight increase in net passenger ticket revenue yields and a 5.5% increase in net onboard and other revenue yields. The slight increase in net passenger ticket revenue yields was driven by improvements at our continental European brands, partially offset by our North America brands' continued promotional pricing environment in the Caribbean resulting from the large increase in cruise industry capacity. The 5.5% increase in net onboard and other revenue yields resulted from a 6.1% increase from our North America brands and a 2.3% increase from our EAA brands, which included increases in substantially all net onboard and other revenue categories. Gross cruise revenues increased by \$218 million, or 4.8%, to \$4.8 billion in 2014 from \$4.6 billion in 2013 for largely the same reasons as discussed above.

Net cruise costs excluding fuel increased by \$76 million, or 4.3%, and remained at \$1.8 billion in both 2014 and 2013. This increase was caused by our 2.2% capacity increase in ALBDs, which accounted for \$39 million, the currency impact, which accounted for \$29 million, and a slight increase in constant dollar net cruise costs excluding fuel per ALBD, which accounted for \$8 million.

Fuel costs decreased by \$26 million, or 4.8%, to \$518 million in 2014 from \$544 million in 2013. This was caused by lower fuel prices, which accounted for \$19 million, and lower fuel consumption per ALBD, which accounted for \$18 million, partially offset by our 2.2% capacity increase in ALBDs, which accounted for \$12 million.

Gross cruise costs decreased by \$121 million, or 3.7%, to \$3.1 billion in 2014 from \$3.3 billion in 2013 for principally the same reasons as discussed above.

#### Nine Months Ended August 31, 2014 ("2014") Compared to Nine Months Ended August 31, 2013 ("2013")

##### Revenues

##### Consolidated

Cruise passenger ticket revenues made up 75% of our 2014 total revenues. Cruise passenger ticket revenues increased by \$193 million, or 2.2%, to \$9.1 billion in 2014 from \$9.0 billion in 2013.

This increase was caused by:

- \$261 million - 2.9% capacity increase in ALBDs and
- \$152 million - translation impact from a weaker U.S. dollar against the euro and sterling, net of a stronger U.S. dollar against the Australian dollar ("net currency impact").

These increases were partially offset by:

- \$112 million - 1.3 percentage point decrease in occupancy and
- \$91 million - decrease in cruise ticket pricing.

The remaining 25% of 2014 total revenues were substantially all comprised of onboard and other cruise revenues, which increased by \$169 million, or 6.3%, to \$2.8 billion in 2014 from \$2.7 billion in 2013.

This increase was caused by:

- \$78 million - 2.9% capacity increase in ALBDs;
- \$53 million - higher onboard spending by our guests;
- \$27 million - net currency impact and
- \$20 million - higher other third-party revenues.

These increases were partially offset by:

- \$33 million - 1.3 percentage point decrease in occupancy.

Onboard and other revenues included concession revenues of \$841 million in 2014 and \$842 million in 2013.

### **North America Brands**

Cruise passenger ticket revenues made up 73% of our 2014 total revenues. Cruise passenger ticket revenues decreased slightly by \$30 million and remained at \$5.3 billion in both 2014 and 2013.

This decrease was caused by:

- \$128 million - 2.6 percentage point decrease in occupancy;
- \$106 million - decrease in cruise ticket pricing and
- \$45 million - decrease in air transportation revenues from guests who purchased their tickets from us.

These decreases were partially offset by:

- \$261 million - 4.9% capacity increase in ALBDs.

Our cruise ticket pricing decrease was driven by the continued promotional pricing environment in the Caribbean resulting from the large increase in cruise industry capacity.

The remaining 27% of 2014 total revenues were comprised of onboard and other cruise revenues, which increased by \$157 million, or 8.8%, to \$1.9 billion in 2014 from \$1.8 billion in 2013.

This increase was caused by:

- \$87 million - 4.9% capacity increase in ALBDs;
- \$49 million - higher onboard spending by our guests and
- \$27 million - higher other third-party revenues.

These increases were partially offset by:

- \$43 million - 2.6 percentage point decrease in occupancy.

Onboard and other revenues included concession revenues of \$560 million in both 2014 and 2013.

### **EAA Brands**

Cruise passenger ticket revenues made up 82% of our 2014 total revenues. Cruise passenger ticket revenues increased by \$225 million, or 6.2%, to \$3.9 billion in 2014 from \$3.6 billion in 2013.

This increase was caused by:

- \$152 million - net currency impact;
- \$42 million - increase in air transportation revenues from guests who purchased their tickets from us;
- \$21 million - slight percentage point increase in occupancy and
- \$15 million - increase in cruise ticket pricing.

The remaining 18% of 2014 total revenues were comprised of onboard and other cruise revenues, which increased by \$22 million, or 2.7%, to \$840 million in 2014 from \$818 million in 2013. This increase was caused by an increase in net currency impact, which

accounted for \$27 million. Onboard and other revenues included concession revenues of \$280 million in 2014 and \$282 million in 2013.

## Costs and Expenses

### Consolidated

Operating costs and expenses decreased by \$97 million, or 1.2%, to \$7.9 billion in 2014 from \$8.0 billion in 2013.

This decrease was caused by:

- \$176 million - nonrecurrence in 2014 of impairment charges related to *Costa Classica* and *Costa Voyager*;
- \$80 million - lower fuel consumption per ALBD;
- \$62 million - decreases in commissions, transportation and other related expenses principally due to lower cruise ticket pricing and a decrease in air transportation costs related to guests who purchased their tickets from us;
- \$58 million - lower fuel prices;
- \$53 million - nonrecurrence in 2014 of additional costs and expenses related to the 2013 voyage disruptions, net of third-party insurance recoverables of \$14 million;
- \$37 million - gain from the sale of *Costa Voyager* and
- \$36 million - 1.3 percentage point decrease in occupancy.

These decreases were partially offset by:

- \$230 million - 2.9% capacity increase in ALBDs;
- \$95 million - net currency impact;
- \$39 million - higher dry-dock and other ship repair and maintenance expenses;
- \$22 million - impairment charge related to *Grand Celebration* and
- \$15 million - nonrecurrence in 2014 of a gain in our Tour and Other segment from the 2013 sale of a former Holland America Line ship, which was on charter to an unaffiliated entity.

Selling and administrative expenses increased by \$160 million, or 12%, to \$1.5 billion in 2014 from \$1.3 billion in 2013. The increase was primarily due to higher advertising spend, which accounted for \$42 million, our 2.9% capacity increase in ALBDs, which accounted for \$39 million, and the net currency impact, which accounted for \$20 million.

Depreciation and amortization expenses increased by \$41 million, or 3.5%, and remained at \$1.2 billion in both 2014 and 2013.

Our total costs and expenses as a percentage of revenues decreased to 87.5% in 2014 from 89.4% in 2013.

### North America Brands

Operating costs and expenses increased by \$79 million, or 1.7%, to \$4.8 billion in 2014 from \$4.7 billion in 2013.

This increase was caused by:

- \$232 million - 4.9% capacity increase in ALBDs;
- \$39 million - nonrecurrence in 2014 of an intersegment transaction, which was fully offset in our Cruise Support segment;
- \$36 million - higher dry-dock and other ship repair and maintenance expenses and
- \$45 million - various other operating expenses, net.

These increases were partially offset by:

- \$90 million - decreases in commissions, transportation and other related expenses caused by lower cruise ticket pricing and a decrease in air transportation costs related to guests who purchased their tickets from us;
- \$53 million - nonrecurrence in 2014 of additional costs and expenses related to the 2013 voyage disruptions, net of third-party insurance recoverables of \$14 million;
- \$44 million - lower fuel consumption per ALBD;
- \$44 million - lower fuel prices and
- \$42 million - 2.6 percentage point decrease in occupancy.

Selling and administrative expenses increased by \$86 million, or 11%, to \$848 million in 2014 from \$762 million in 2013. The increase was substantially due to higher advertising spend, which accounted for \$40 million, and our 4.9% capacity increase in ALBDs, which accounted for \$38 million.

Our total costs and expenses as a percentage of revenues increased to 88.1% in 2014 from 87.0% in 2013.

#### **EAA Brands**

Operating costs and expenses decreased by \$158 million, or 5.0%, to \$3.0 billion in 2014 from \$3.1 billion in 2013.

This decrease was caused by:

- \$176 million - nonrecurrence in 2014 of impairment charges related to *Costa Classica* and *Costa Voyager*;
- \$38 million - lower fuel consumption per ALBD;
- \$37 million - gain from the sale of *Costa Voyager*;
- \$15 million - lower fuel prices and
- \$42 million - various other operating expenses, net.

These decreases were partially offset by:

- \$95 million - net currency impact;
- \$33 million - increase in air transportation costs related to guests who purchased their tickets from us and
- \$22 million - impairment charge related to *Grand Celebration*.

Our total costs and expenses as a percentage of revenues decreased to 84.6% in 2014 from 91.9% in 2013.

#### **Operating Income**

Our consolidated operating income increased by \$276 million, or 22%, to \$1.5 billion in 2014 from \$1.2 billion in 2013. Our North America brands' operating income decreased by \$63 million, or 6.8%, to \$859 million in 2014 from \$922 million in 2013, and our EAA brands' operating income increased by \$365 million, or 101%, to \$726 million in 2014 from \$361 million in 2013. These changes were primarily due to the reasons discussed above.

**Key Performance Non-GAAP Financial Indicators**

Consolidated gross and net revenue yields were computed by dividing the gross and net cruise revenues by ALBDs as follows (dollars in millions, except yields):

	Nine Months Ended August 31,		
	2014	2014 Constant Dollar	2013
Passenger ticket revenues	\$ 9,144	\$ 8,992	\$ 8,951
Onboard and other revenues	2,839	2,812	2,670
<b>Gross cruise revenues</b>	<b>11,983</b>	<b>11,804</b>	<b>11,621</b>
Less cruise costs			
Commissions, transportation and other	(1,779)	(1,745)	(1,777)
Onboard and other	(392)	(388)	(385)
	(2,171)	(2,133)	(2,162)
Net passenger ticket revenues	7,365	7,247	7,174
Net onboard and other revenues	2,447	2,424	2,285
<b>Net cruise revenues</b>	<b>\$ 9,812</b>	<b>\$ 9,671</b>	<b>\$ 9,459</b>
<b>ALBDs</b>	<b>56,829,605</b>	<b>56,829,605</b>	<b>55,220,366</b>
<b>Gross revenue yields</b>	<b>\$ 210.85</b>	<b>\$ 207.70</b>	<b>\$ 210.44</b>
% increase (decrease) vs. 2013	0.2 %	(1.3)%	
<b>Net revenue yields</b>	<b>\$ 172.65</b>	<b>\$ 170.17</b>	<b>\$ 171.28</b>
% increase (decrease) vs. 2013	0.8 %	(0.6)%	
<b>Net passenger ticket revenue yields</b>	<b>\$ 129.60</b>	<b>\$ 127.53</b>	<b>\$ 129.91</b>
% decrease vs. 2013	(0.2)%	(1.8)%	
<b>Net onboard and other revenue yields</b>	<b>\$ 43.05</b>	<b>\$ 42.65</b>	<b>\$ 41.37</b>
% increase vs. 2013	4.1 %	3.1 %	

Consolidated gross and net cruise costs and net cruise costs excluding fuel per ALBD were computed by dividing the gross and net cruise costs and net cruise costs excluding fuel by ALBDs as follows (dollars in millions, except costs per ALBD):

	Nine Months Ended August 31,		
	2014	2014 Constant Dollar	2013
Cruise operating expenses	\$ 7,776	\$ 7,681	\$ 7,890
Cruise selling and administrative expenses	1,501	1,481	1,341
<b>Gross cruise costs</b>	<b>9,277</b>	<b>9,162</b>	<b>9,231</b>
Less cruise costs included above			
Commissions, transportation and other	(1,779)	(1,745)	(1,777)
Onboard and other	(392)	(388)	(385)
Gains (loss) on ship sales and ship impairments, net	15	14	(178)
<b>Net cruise costs</b>	<b>7,121</b>	<b>7,043</b>	<b>6,891</b>
Less fuel	(1,569)	(1,569)	(1,659)
<b>Net cruise costs excluding fuel</b>	<b>\$ 5,552</b>	<b>\$ 5,474</b>	<b>\$ 5,232</b>
<b>ALBDs</b>	<b>56,829,605</b>	<b>56,829,605</b>	<b>55,220,366</b>
<b>Gross cruise costs per ALBD</b>	<b>\$ 163.24</b>	<b>\$ 161.21</b>	<b>\$ 167.17</b>
% decrease vs. 2013	(2.4)%	(3.6)%	
<b>Net cruise costs per ALBD</b>	<b>\$ 125.29</b>	<b>\$ 123.93</b>	<b>\$ 124.79</b>
% increase (decrease) vs. 2013	0.4 %	(0.7)%	
<b>Net cruise costs excluding fuel per ALBD</b>	<b>\$ 97.69</b>	<b>\$ 96.32</b>	<b>\$ 94.76</b>
% increase vs. 2013	3.1 %	1.6 %	

Non-GAAP fully diluted earnings per share was computed as follows (in millions, except per share data):

	Nine Months Ended	
	August 31,	
	2014	2013
<b>Net income - diluted</b>		
<b>U.S. GAAP net income</b>	\$ 1,338	\$ 1,012
(Gains) on ship sales and ship impairments, net	(15) (a)	163 (b)
Trademark and other impairment charges	—	27
Unrealized gains on fuel derivatives, net	(8)	(5)
<b>Non-GAAP net income</b>	<b>\$ 1,315</b>	<b>\$ 1,197</b>
<b>Weighted-average shares outstanding - diluted</b>	<b>778</b>	<b>777</b>
<b>Earnings per share - diluted</b>		
<b>U.S. GAAP earnings per share</b>	\$ 1.72	\$ 1.30
(Gains) loss on ship sales and ship impairments, net	(0.02) (a)	0.21 (b)
Trademark and other impairment charges	—	0.03
Unrealized gains on fuel derivatives, net	(0.01)	—
<b>Non-GAAP earnings per share</b>	<b>\$ 1.69</b>	<b>\$ 1.54</b>

(a) Represents a \$37 million gain from the sale of *Costa Voyager*, partially offset by an impairment charge of \$22 million related to *Grand Celebration*.

(b) Substantially due to \$176 million of impairment charges related to *Costa Classica* and *Costa Voyager*, partially offset by a \$15 million gain in our Tour and Other segment from the sale of a former Holland America Line ship, which was on charter to an unaffiliated entity.

Net cruise revenues increased by \$353 million, or 3.7%, to \$9.8 billion in 2014 from \$9.5 billion in 2013. This increase was caused by our 2.9% capacity increase in ALBDs, which accounted for \$276 million, and the net currency impact, which accounted for \$140 million, partially offset by a slight decrease in constant dollar net revenue yields, which accounted for \$63 million. The slight decrease in net revenue yields on a constant dollar basis was caused by a 1.8% decrease in net passenger ticket revenue yields, partially offset by a 3.1% increase in net onboard and other revenue yields. The 1.8% decrease in net passenger ticket revenue yields was caused by a 3.9% net yield decrease from our North America brands' continued promotional pricing environment in the Caribbean resulting from the large increase in cruise industry capacity, partially offset by a 1.5% net yield increase from our EAA brands, which was driven by improvements at our continental European brands. The 3.1% increase in net onboard and other revenue yields resulted from a 3.6% increase from our North America brands and a 2.4% increase from our EAA brands. Gross cruise revenues increased by \$362 million, or 3.1%, to \$12.0 billion in 2014 from \$11.6 billion in 2013 for largely the same reasons as discussed above.

Net cruise costs excluding fuel increased by \$320 million, or 6.1%, to \$5.6 billion in 2014 from \$5.2 billion in 2013. The increase was caused by our 2.9% capacity increase in ALBDs, which accounted for \$152 million, a 1.6% increase in constant dollar net cruise costs excluding fuel per ALBD, which accounted for \$89 million, and the net currency impact, which accounted for \$78 million.

The 1.6% increase in constant dollar net cruise costs excluding fuel per ALBD was caused by:

- \$42 million - higher advertising spend;
- \$39 million - higher dry-dock and other ship repair and maintenance expenses and
- \$61 million - various other operating expenses, net.

These increases were partially offset by:

- \$53 million - nonrecurrence in 2014 of additional costs and expenses related to the 2013 voyage disruptions, net of third-party insurance recoverables of \$14 million.

Fuel costs decreased by \$90 million, or 5.4%, to \$1.6 billion in 2014 from \$1.7 billion in 2013. This was caused by lower fuel consumption per ALBD, which accounted for \$80 million, and lower fuel prices, which accounted for \$58 million, partially offset by our 2.9% capacity increase in ALBDs, which accounted for \$48 million.

Gross cruise costs increased slightly by \$46 million to \$9.3 billion in 2014 from \$9.2 billion in 2013 for principally the same reasons as discussed above.



## Liquidity, Financial Condition and Capital Resources

Our primary financial goals are to profitably grow our cruise business and increase our return on invested capital, while maintaining a strong balance sheet. Our ability to generate significant operating cash flows allows us to internally fund all of our capital investments. Over time, we expect to have higher levels of free cash flow, which we intend to return to shareholders in the form of additional dividends and opportune share buybacks. We are also committed to maintaining our strong investment grade credit ratings. Other objectives of our capital structure policy are to maintain a sufficient level of liquidity with our available cash and cash equivalents and committed financings for immediate and future liquidity needs, and a reasonable debt maturity profile that is spread over a number of years.

Based on our historical results, projections and financial condition, we believe that our future operating cash flows and liquidity will be sufficient to fund all of our expected capital projects including shipbuilding commitments, ship improvements, debt service requirements, working capital needs and other firm commitments over the next several years. We believe that our ability to generate significant operating cash flows and our strong balance sheet as evidenced by our investment grade credit ratings provide us with the ability in most financial credit market environments to obtain debt financing, as needed. Our future operating cash flows and our ability to issue debt can be adversely impacted by numerous factors outside our control including, but not limited to, those noted under “Cautionary Note Concerning Factors That May Affect Future Results.” If our long-term senior unsecured credit ratings were to be downgraded, our access to, and cost of, debt financing may be negatively impacted.

At August 31, 2014, we had a working capital deficit of \$5.5 billion. This deficit included \$3.1 billion of current customer deposits, which represent the passenger revenues already collected for cruises departing over the next twelve months and, accordingly, are substantially more like deferred revenue balances rather than actual current cash liabilities. Our August 31, 2014 working capital deficit also included \$1.9 billion of current debt obligations. We continue to generate significant cash from operations and have a strong balance sheet. This strong balance sheet provides us with the ability to refinance our current debt obligations before, or as they become due, in most financial credit market environments. We also have our revolving credit facilities available to provide long-term rollover financing should the need arise, or if we choose to do so. After excluding current customer deposits and current debt obligations from our August 31, 2014 working capital deficit balance, our non-GAAP adjusted working capital deficit was \$424 million. Our business model, along with our unsecured revolving credit facilities, allows us to operate with a working capital deficit and still meet our operating, investing and financing needs. We believe we will continue to have working capital deficits for the foreseeable future.

At November 30, 2013, the U.S. dollar was \$1.63 to sterling, \$1.36 to the euro and \$0.91 to the Australian dollar. Had these November 30, 2013 currency exchange rates been used to translate our August 31, 2014 non-U.S. dollar functional currency operations’ assets and liabilities instead of the August 31, 2014 U.S. dollar exchange rates of \$1.66 to sterling, \$1.31 to the euro and \$0.93 to the Australian dollar, our total assets and liabilities would have been higher by \$295 million and \$160 million, respectively.

### Sources and Uses of Cash

Our business provided \$2.8 billion of net cash from operations during the nine months ended August 31, 2014, an increase of \$434 million, or 18%, compared to \$2.4 billion for the same period in 2013. This increase was caused by less cash being used for our working capital needs and more cash being provided from our operating results.

During the nine months ended August 31, 2014, our expenditures for capital projects were \$1.7 billion, of which \$897 million was spent on our ongoing new shipbuilding program, primarily for *Regal Princess*. In addition to our new shipbuilding program, we had capital expenditures of \$551 million for ship improvements and replacements and \$230 million for buildings and improvements, information technology and other assets. Furthermore, during the nine months ended August 31, 2014, we sold *Costa Voyager* and received \$42 million in cash proceeds.

During the nine months ended August 31, 2014, we borrowed a net \$95 million of short-term borrowings in connection with our availability of, and needs for, cash at various times throughout the period. In addition, during the nine months ended August 31, 2014 we repaid \$1.5 billion of long-term debt, including early repayments of \$339 million of two bank loans and \$409 million of two export credit facilities. Furthermore, during the nine months ended August 31, 2014, we borrowed \$829 million of new long-term debt under an export credit facility and a bank loan. Finally, during the nine months ended August 31, 2014, we paid cash dividends of \$582 million.

### Future Commitments and Funding Sources

Our contractual cash obligations as of August 31, 2014 have changed compared to November 30, 2013 primarily as a result of our debt borrowings and repayments and new ship payments as noted above under “Sources and Uses of Cash.” In addition, during the nine months ended August 31, 2014, we entered into an agreement with Fincantieri shipyard for the construction of one ship for Princess. At August 31, 2014, this newbuild has an all-in euro-denominated aggregate cost of approximately \$0.8 billion and is expected to be the only newbuild scheduled to be delivered in 2017.

The year-over-year percentage increase in our capacity for the fourth quarter of 2014 is expected to be 2.4%. The year-over-year percentage increases in our annual capacity for 2014, 2015, 2016 and 2017 are currently expected to be 2.8%, 2.5%, 4.2% and 3.3%, respectively. These percentage increases are expected to result primarily from contracted new ships entering service, partially offset by *Costa Voyager* and *Seabourn Pride* having left the fleet in November 2013 and April 2014, respectively, *Grand Holiday* leaving the fleet by the end of 2014 and *Seabourn Legend* and *Seabourn Spirit* leaving the fleet by May 2015.

At August 31, 2014, we had liquidity of \$6.5 billion. Our liquidity consisted of \$212 million of cash and cash equivalents, which excludes \$224 million of cash used for current operations, \$3.2 billion available for borrowing under our revolving credit facilities, net of our commercial paper borrowings, and two undrawn bank loans, and \$3.1 billion under our committed future financings, which are comprised of ship export credit facilities. Of this \$3.1 billion, \$0.5 billion, \$1.0 billion, and \$1.6 billion are scheduled to be funded in 2014, 2015 and 2016, respectively. At August 31, 2014, substantially all of our revolving credit facilities were scheduled to mature in 2019, except for \$300 million that matures in 2020. These commitments are from numerous large and well-established banks and export credit agencies, which we believe will honor their contractual agreements with us.

Substantially all of our debt agreements contain financial covenants as described in Note 5 - "Unsecured Debt" in the annual consolidated financial statements, which is included within our 2013 Form 10-K. At August 31, 2014, we believe we were in compliance with our debt covenants. In addition, based on, among other things, our forecasted operating results, financial condition and cash flows, we expect to be in compliance with our debt covenants for the foreseeable future. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated.

### **Off-Balance Sheet Arrangements**

We are not a party to any off-balance sheet arrangements, including guarantee contracts, retained or contingent interests, certain derivative instruments and variable interest entities that either have, or are reasonably likely to have, a current or future material effect on our consolidated financial statements.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

At August 31, 2014, 68% and 32% (69% and 31% at November 30, 2013) of our debt was U.S. dollar- and euro-denominated, respectively, including the effect of foreign currency swaps.

During the nine months ended August 31, 2014, we entered into zero cost collar fuel derivatives for 4.5 million barrels of Brent to cover a portion of our estimated fuel consumption for 2017 and 2018. See "Note 4 - Fair Value Measurements, Derivative Instruments and Hedging Activities" in the accompanying consolidated financial statements for additional discussion of these fuel derivatives. At August 31, 2014, the estimated fair value of our outstanding fuel derivative contracts was an asset of \$51 million.

During June 2014, we entered into foreign currency zero cost collars that are designated as cash flow hedges for the remaining unhedged portion of P&O Cruises (UK) *Britannia*'s euro-denominated shipyard payments. These collars mature in February 2015 at a weighted-average ceiling rate of £0.81 to the euro, or \$298 million, and a weighted-average floor rate of £0.79 to the euro, or \$291 million.

For a further discussion of our hedging strategies and market risks, see "Note 4 - Fair Value Measurements, Derivative Instruments and Hedging Activities" in the accompanying consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations within our 2013 Form 10-K.

### **Item 4. Controls and Procedures.**

#### **A. Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our President and Chief Executive Officer and our Chief Financial Officer have evaluated our disclosure controls and procedures and have concluded, as of August 31, 2014, that they are effective as described above.

## **B. Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the quarter ended August 31, 2014 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

In the case of *Sandoval v. Carnival Corporation*, on September 15, 2014 the Court issued an order granting the defendants' motion to dismiss the case based on the *forum non conveniens* doctrine. The case was originally filed on June 25, 2012 in the United States District Court for the Central District of California naming as defendants Carnival Corporation, Costa Crociere S.p.A., Micky Arison, Howard Frank, Arnold Donald, Joseph Farcus and Joseph Farcus, Architect P.A. The plaintiffs had alleged claims for design defect, negligent training and operations and gross negligence stemming from the January 2012 *Costa Concordia* incident.

### **Item 1A. Risk Factors.**

The risk factors that affect our business and financial results are discussed in "Item 1A. Risk Factors," included in the 2013 Form 10-K, and there has been no material change to these risk factors since the 2013 Form 10-K filing. We wish to caution the reader that the risk factors discussed in "Item 1A. Risk Factors," included in the 2013 Form 10-K, and those described elsewhere in this report or other Securities and Exchange Commission filings, could cause future results to differ materially from those stated in any forward-looking statements. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

#### **A. Repurchase Authorizations**

In September 2007, our Boards of Directors authorized, subject to certain restrictions, the repurchase of up to an aggregate of \$1 billion of Carnival Corporation common stock and/or Carnival plc ordinary shares (the "Repurchase Program"). In January 2013, the Boards of Directors increased the remaining \$165 million under the Repurchase Program back to \$1 billion. The Repurchase Program does not have an expiration date and may be discontinued by our Boards of Directors at any time. During the nine months ended August 31, 2014, there were no repurchases of Carnival Corporation common stock or Carnival plc ordinary shares under the Repurchase Program. Since March 2013, the remaining availability under the Repurchase Program has been \$975 million.

In addition to the Repurchase Program, the Boards of Directors authorized, in October 2008, the repurchase of up to 19.2 million Carnival plc ordinary shares and, in January 2013, the repurchase of up to 32.8 million shares of Carnival Corporation common stock under the Stock Swap programs described below. At September 24, 2014, the remaining availability under the Stock Swap programs was 18.1 million Carnival plc ordinary shares and 32.0 million shares of Carnival Corporation common stock.

Carnival plc ordinary share repurchases under both the Repurchase Program and the Stock Swap programs require annual shareholder approval. The existing shareholder approval is limited to a maximum of 21.5 million ordinary shares and is valid until the earlier of the conclusion of the Carnival plc 2015 annual general meeting or October 16, 2015. Depending on market conditions and other factors, we may purchase shares of Carnival Corporation common stock and/or Carnival plc ordinary shares under the Repurchase Program and the Stock Swap programs concurrently.

#### **B. Stock Swap Programs**

We use the Stock Swap programs in situations where we can obtain an economic benefit because either Carnival Corporation common stock or Carnival plc ordinary shares are trading at a price that is at a premium or discount to the price of Carnival plc ordinary shares or Carnival Corporation common stock, as the case may be. Any realized economic benefit under the Stock Swap programs is used for general corporate purposes, which could include repurchasing additional stock under the Repurchase Program.

In the event Carnival Corporation common stock trades at a premium to Carnival plc ordinary shares, we may elect to issue and sell shares of Carnival Corporation common stock through a sales agent, from time to time at prevailing market prices in ordinary brokers'

transactions, and use the sale proceeds to repurchase Carnival plc ordinary shares in the UK market on at least an equivalent basis. Based on an authorization provided by the Board of Directors in October 2008, Carnival Corporation was authorized to issue and sell up to 19.2 million shares of its common stock in the U.S. market and had 18.1 million shares remaining at September 24, 2014. Any sales of Carnival Corporation shares have been or will be registered under the Securities Act of 1933.

In the event Carnival Corporation common stock trades at a discount to Carnival plc ordinary shares, we may elect to sell existing ordinary shares of Carnival plc, with such sales made by Carnival Corporation or Carnival Investments Limited, a subsidiary of Carnival Corporation, through a sales agent, from time to time at prevailing market prices in ordinary brokers' transactions, and use the sale proceeds to repurchase shares of Carnival Corporation common stock in the U.S. market on at least an equivalent basis. Based on an authorization provided by the Board of Directors in January 2013, Carnival Corporation or Carnival Investments Limited was authorized to sell up to 32.8 million Carnival plc ordinary shares in the UK market and had 32.0 million shares remaining at September 24, 2014. Any sales of Carnival plc ordinary shares have been or will be registered under the Securities Act of 1933.

During the nine months ended August 31, 2014, no Carnival Corporation common stock or Carnival plc ordinary shares were sold or repurchased under the Stock Swap programs.

**Item 6. Exhibits.**

**INDEX TO EXHIBITS**

<b><u>Exhibit Number</u></b>	<b><u>Exhibit Description</u></b>	<b><u>Incorporated by Reference</u></b>			<b><u>Filed/ Furnished Herewith</u></b>
		<b><u>Form</u></b>	<b><u>Exhibit</u></b>	<b><u>Filing Date</u></b>	
<b><u>Articles of incorporation and by-laws</u></b>					
3.1	Third Amended and Restated Articles of Incorporation of Carnival Corporation.	8-K	3.1	4/17/2003	
3.2	Third Amended and Restated By-Laws of Carnival Corporation.	8-K	3.1	4/20/2009	
3.3	Articles of Association of Carnival plc.	8-K	3.3	4/20/2009	
3.4	Memorandum of Association of Carnival plc.	8-K	3.2	4/20/2009	
<b><u>Material contracts</u></b>					
10.1	Amendment and Restatement Agreement dated June 16, 2014 in respect of the Multicurrency Revolving Facilities Agreement dated May 18, 2011, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Merrill Lynch International Limited as facilities agent and a syndicate of financial institutions.				X
10.2*	Employment Agreement dated as of October 14, 2013 between Carnival Corporation, Carnival plc and Arnold W. Donald.				X
<b><u>Statement regarding computations of ratios</u></b>					
12	Ratio of Earnings to Fixed Charges.				X
<b><u>Rule 13a-14(a)/15d-14(a) Certifications</u></b>					
31.1	Certification of President and Chief Executive Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Chief Financial Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.3	Certification of President and Chief Executive Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.4	Certification of Chief Financial Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
<b><u>Section 1350 Certifications</u></b>					
32.1**	Certification of President and Chief Executive Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2**	Certification of Chief Financial Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.3**	Certification of President and Chief Executive Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.4**	Certification of Chief Financial Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
<b><u>Interactive Data File</u></b>					
101	The consolidated financial statements from Carnival Corporation & plc's joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2014, as filed with the Securities and Exchange Commission on October 3, 2014 formatted in XBRL, are as follows:				

(i) the Consolidated Statements of Income for the three and nine months ended August 31, 2014 and 2013;	X
(ii) the Consolidated Statements of Comprehensive Income for the three and nine months ended August 31, 2014 and 2013;	X
(iii) the Consolidated Balance Sheets at August 31, 2014 and November 30, 2013;	X
(iv) the Consolidated Statements of Cash Flows for the nine months ended August 31, 2014 and 2013 and	X
(v) the notes to the consolidated financial statements, tagged in summary and detail.	X

\* Indicates a compensation plan.

\*\* These items are furnished and not filed.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CARNIVAL CORPORATION**

By: /s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer

Date: October 3, 2014

**CARNIVAL PLC**

By: /s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer

Date: October 3, 2014

16 June 2014

**CARNIVAL CORPORATION**  
and  
**CARNIVAL PLC**

**BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED**  
(as Facilities Agent)

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**AMENDMENT AND RESTATEMENT AGREEMENT**  
**in respect of the Multicurrency Revolving Facilities Agreement dated 18 May 2011**

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**Freshfields Bruckhaus Deringer**

Freshfields Bruckhaus Deringer LLP

65 Fleet Street

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**THIS AGREEMENT** is dated 16 June 2014 and made between:

**BETWEEN:**

- (1) **CARNIVAL CORPORATION** (a Panamanian corporation having its principal place of business at Carnival Place, 3655 N.W. 87th Avenue, Miami, Florida, 33178-2428) (the **Company**);
- (2) **CARNIVAL PLC** (a company incorporated under the laws of England and Wales with registered number 04039524) (**Carnival plc**);
- (3) **THE SUBSIDIARIES OF THE COMPANY** and of **CARNIVAL PLC** listed in Schedule 1 as borrowers (in this capacity and together with the Company and Carnival plc, the **Borrowers**);
- (4) **CARNIVAL CORPORATION** and **CARNIVAL PLC** as guarantors of their respective Subsidiaries (each a **Guarantor**);
- (5) **BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED, BARCLAYS BANK PLC, BNP PARIBAS, CITIGROUP GLOBAL MARKETS LIMITED, GOLDMAN SACHS BANK USA, INTESA SANPAOLO S.P.A., J.P. MORGAN LIMITED, LLOYDS BANK PLC, MIZUHO BANK, LTD. and THE ROYAL BANK OF SCOTLAND PLC** as bookrunners and mandated lead arrangers (in this capacity the **Arrangers**);
- (6) **THE FINANCIAL INSTITUTIONS** listed in Part B and Part C of Schedule 1 of the Restated Facilities Agreement (as defined below) as lenders (the **Lenders**);
- (7) **BANK OF NOVA SCOTIA, BANCO BILBAO VIZCAYA ARGENTARIA, S.A., DNB BANK ASA and KFW IPEX-BANK GMBH** as exiting lenders (the **Exiting Lenders**); and
- (8) **BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED** (formerly **BANC OF AMERICA SECURITIES LIMITED**) as facilities agent of the other Finance Parties (the **Facilities Agent**).

**WHEREAS:**

This Agreement is supplemental to and amends the multicurrency facilities agreement (the **Facilities Agreement**) dated 18 May 2011 between, among others, the Company, Carnival plc and the Facilities Agent.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1. Definitions**

In this Agreement:

**2013 Financial Statements** means the audited consolidated financial statements of the Carnival Corporation & plc Group for the financial year ended 30 November 2013.

**Amendment Fees Letter** means the letter from the Facilities Agent to the Company dated on or about the date of this Agreement setting out the details of certain fees payable in connection with the Restated Facilities Agreement.

**Effective Date** means the date on which the Facilities Agent confirms to the Lenders and the Company that it has received each of the documents listed in Schedule 2 (*Conditions Precedent*) in a form and substance satisfactory to the Facilities Agent. The Facilities Agent shall give such confirmation promptly upon being so satisfied.

**Restated Facilities Agreement** means the Facilities Agreement, as amended by this Agreement, in the form set out in Schedule 3 (*Restated Facilities Agreement*) to this Agreement.

## 1.2. Defined terms and construction

In this Agreement, unless the context otherwise requires:

- (a) a reference to a term defined in any other Finance Document has the same meaning in this Agreement;
- (b) references to Clauses are to Clauses of the Restated Facilities Agreement unless otherwise stated; and
- (c) the provisions of Clause 1.2 (*Construction*) apply to this Agreement as though they were set out in full in this Agreement except that references to the Facilities Agreement are to be construed as references to this Agreement.

## 2. RESTATEMENT OF FACILITY AGREEMENT

### 2.1. Restatement

With effect from (and including) the Effective Date, the Facilities Agreement shall be amended and restated so that it shall be read and construed for all purposes as set out in Schedule 3 to this Agreement.

### 2.2. Effective Date

If the Effective Date has not occurred by 17 June 2014 (or any later date which the Facilities Agent and the Company may agree), then Clause 2.1 of this Agreement will lapse and none of the amendments recorded therein will take effect.

## 3. REPRESENTATIONS

- (a) The representations and warranties in Clause 24 (*Representations*) of the Restated Facilities Agreement are made by each Obligor (by reference to the facts and circumstances then existing) on the date of this Agreement and on the Effective Date, and in each case (i) as if references to the Finance Documents in such representations and warranties include references to this Agreement and the Restated Facilities Agreement; and (ii) as if references to the Original Financial Statements in such representations and warranties were references to the 2013 Financial Statements.
- (b) The Company confirms that the DLC Documents have not been amended in a manner which would be materially adverse to the interests of the Finance Parties since the date of the Facilities Agreement.

#### 4. GUARANTEE

On the Effective Date, each Obligor:

- (a) confirms its acceptance of the Restated Facilities Agreement;
- (b) agrees that it is bound as an Obligor by the terms of the Restated Facilities Agreement; and
- (c) if a Guarantor, confirms that its guarantee provided under Clause 23 (*Guarantee and Indemnity*) of the Restated Facilities Agreement and the relevant Deed of Guarantee:
  - (i) continues in full force and effect on the terms of the Restated Facilities Agreement and the relevant Deed of Guarantee; and
  - (ii) extends to the obligations of the Obligors under the Finance Documents (including the Restated Facilities Agreement and notwithstanding the imposition of any amended, additional or more onerous obligations).

#### 5. EFFECT OF AMENDMENT

- (a) In accordance with the Facilities Agreement, each of the Facilities Agent and Company designates this Agreement as a Finance Document.
- (b) The Facilities Agreement and this Agreement will, from the Effective Date, be read and construed as one document.
- (c) Except as otherwise provided in this Agreement, the Finance Documents remain in full force and effect.
- (d) Except to the extent expressly waived in this Agreement, no waiver is given by this Agreement and the Lenders expressly reserve all their rights and remedies in respect of any breach of, or other Default under, the Finance Documents.

#### 6. RESIGNATION OF BORROWERS

- (a) The Company and the Facilities Agent agree that, from the Effective Date, Princess Cruises and Tours, Inc., Holland America Line-USA Inc. and Carnival FC B.V. (the **Resigning Borrowers**) are released from their obligations as Borrowers under the Finance Documents.
- (b) The Company confirms to the Facilities Agent that:
  - (i) no Default is outstanding or would result from the resignation of the Resigning Borrowers; and
  - (ii) as at the date of this Agreement, no amount owed by the Resigning Borrowers under the Facilities Agreement is outstanding.

#### 7. COMMITMENTS

##### 7.1. Acquisition and reduction of Commitments

On and from the Effective Date, each Lender will make available to the Borrowers on the terms of the Restated Facilities Agreement the Commitment set opposite its name in Schedule 1 (*The Parties*) of the Restated Facilities Agreement. The Commitments held by the Lenders immediately before the Effective

Date shall be reduced, increased or transferred accordingly. For the avoidance of doubt, on the Effective Date, the Commitments (as defined in the Facilities Agreement) of the Exiting Lenders will be reduced to zero and the Exiting Lenders will not be party to the Restated Facilities Agreement.

## **8. MISCELLANEOUS**

### **8.1. Further assurance**

Each Obligor shall, at the request of the Facilities Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Agreement.

### **8.2. Incorporation of terms**

The provisions of Clauses 36 (*Notices*), 38 (*Partial invalidity*), 42 (*Governing law*) and 43 (*Enforcement*) apply to this Agreement as though they were set out in full in this Agreement except that references to the Facilities Agreement are to be construed as references to this Agreement.

### **8.3. Counterparts**

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterpart shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy shall be an effective mode of delivery.

**IN WITNESS** whereof the parties have caused this Agreement to be duly executed on the date first written above.

**SCHEDULE 1**

**THE AMENDMENT PARTIES**

**Borrowers**

Name of Subsidiaries of the Company and Carnival plc

- 1 Costa Crociere S.p.A. (a company organised and existing under the laws of Italy as a *società per azioni*, with a share capital equal to Euro 344,314,467.00, having its registered office in Genoa (Italy), Piazza Piccapietra 48, registered with the Companies' Register (*Registro delle Imprese*) of Genoa under no. 02545900108, *Repertorio Economico Amministrativo* no. GE-279842)
- 2 CC U.S. Ventures, Inc. (a corporation incorporated and existing under the laws of the State of Delaware, United States of America)

**SCHEDULE 2**  
**CONDITIONS PRECEDENT**

**Obligors**

1. A copy of the constitutional documents of each Obligor.
2. A copy of a resolution of the board of directors of each Obligor (and, if required by its existing by-laws, a copy of the resolution of the shareholders' meeting of Costa Crociere S.p.A.), approving the terms of, and the transactions contemplated by, this Agreement and the Restated Facilities Agreement.
3. A specimen of the signature of each person who executes this Agreement and who is authorised on behalf of an Obligor to execute or witness the execution of this Agreement.
4. A certificate of an authorised signatory of the Company:
  - (a) confirming that utilising or (with respect to the Company and Carnival plc) guaranteeing the Total Tranche A Commitments, the Total Tranche B Commitments, the Total Tranche C Commitments and the Total Tranche D Commitments (or, in the case of Costa Crociere S.p.A., utilising the Total Tranche C Commitments) in full under the terms of the Restated Facilities Agreement would not breach any limit binding on any Original Obligor;
  - (b) certifying that each copy document specified in this Schedule is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement; and
  - (c) confirming which companies are Material Subsidiaries and providing reasonable details of the calculations used to make such determinations.
5. A copy of a good standing certificate with respect to each US Borrower, issued as of a recent date by the Secretary of State or other appropriate official of each US Borrower's jurisdiction of incorporation or organisation.
6. A certificate of registration (*certificato di iscrizione*) of Costa Crociere S.p.A. with the relevant Companies' Register dated not earlier than five Business Days prior to the execution of this Agreement, confirming that no insolvency procedures have been started in relation to Costa Crociere S.p.A.

**Legal opinions**

7. A legal opinion of Allen & Overy LLP, London office, English law legal advisers to the Arrangers and the Facilities Agent, addressed to the Finance Parties.
8. A legal opinion of Tapia, Linares y Alfaro Attorneys At Law, Panama law legal advisers, addressed to the Finance Parties.
9. A legal opinion of Allen & Overy LLP, New York office, New York state law legal advisers, addressed to the Finance Parties.
10. A legal opinion of Morris James LLP, Delaware state law legal advisers, addressed to the Finance Parties.
11. A legal opinion of Allen & Overy LLP, Milan office, Italian law legal advisers, addressed to the Finance Parties.

**Other documents and evidence**

12. This Agreement.
13. The Amendment Fees Letter.
14. A copy of the 2013 Financial Statements.
15. Evidence that the fees, commissions, costs and expenses payable by the Company pursuant to the Amendment Fees Letter have been paid or will be paid on the date set out in the Amendment Fees Letter.



**SCHEDULE 3**

**RESTATED FACILITIES AGREEMENT**

**Carnival Corporation**

**Carnival plc**

**The companies listed in Schedule 1**

**Arranged by**

**Bank of America Merrill Lynch International Limited  
(formerly Banc of America Securities Limited)  
BNP Paribas  
Goldman Sachs Bank USA  
Intesa Sanpaolo S.p.A.  
J.P. Morgan Limited  
Lloyds Bank plc (formerly Lloyds TSB Bank plc)  
Mizuho Bank, Ltd. (formerly Mizuho Corporate Bank, Ltd.)  
The Royal Bank of Scotland plc  
UniCredit S.p.A. London Branch**

**With**

**Bank of America Merrill Lynch International Limited  
(formerly Banc of America Securities Limited)  
as Facilities Agent**

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**FACILITIES AGREEMENT  
for  
Multicurrency Revolving Facilities**

**dated 18 May 2011 as amended and restated by an amendment and restatement agreement dated  
16 June 2014**

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 **Freshfields Bruckhaus Deringer**

Freshfields Bruckhaus Deringer LLP

65 Fleet Street

London EC4Y 1HS

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**THIS AGREEMENT** is dated 18 May 2011 (as amended and restated on 16 June 2014) and made

**BETWEEN:**

- (1) **CARNIVAL CORPORATION** (a Panamanian corporation having its principal place of business at Carnival Place, 3655 N.W. 87th Avenue, Miami, Florida, 33178-2428) (the **Company**);
- (2) **CARNIVAL PLC** (a company incorporated under the laws of England and Wales with registered number 04039524) (**Carnival plc**);
- (3) **THE SUBSIDIARIES OF THE COMPANY** and of **CARNIVAL PLC** listed in 0 of Schedule 1 as borrowers (in this capacity and together with the Company and Carnival plc, the **Original Borrowers**);
- (4) **CARNIVAL CORPORATION** and **CARNIVAL PLC** as guarantors of their respective Subsidiaries (each a **Guarantor**);
- (5) **BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED (FORMERLY BANC OF AMERICA SECURITIES LIMITED), BNP PARIBAS, GOLDMAN SACHS BANK USA, INTESA SANPAOLO S.P.A., J.P. MORGAN LIMITED, LLOYDS BANK PLC (FORMERLY LLOYDS TSB BANK PLC), MIZUHO BANK, LTD. (FORMERLY MIZUHO CORPORATE BANK, LTD.), THE ROYAL BANK OF SCOTLAND PLC and UNICREDIT S.P.A. LONDON BRANCH** as bookrunners and mandated lead arrangers (in this capacity the **Arrangers**);
- (6) **THE FINANCIAL INSTITUTIONS** listed in Part B and Part C of Schedule 1 as lenders (the **Original Lenders**); and
- (7) **BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED (FORMERLY BANC OF AMERICA SECURITIES LIMITED)** as facilities agent of the other Finance Parties (the **Facilities Agent**).

**IT IS AGREED as follows:**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Agreement:

**Acceptable Bank** means a bank or financial institution which meets the Rating Requirements.

**Accession Letter** means a document substantially in the form set out in Schedule 5 (*Form of Accession Letter*).

**Account Party** means a Bond Borrower or any member of the Carnival Corporation & plc Group who has requested a Bond Borrower to request a Bond.

**Additional Borrower** means a company which becomes an Additional Borrower in accordance with Clause 30 (*Changes to the Obligors*).

**Affiliate** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

**Amendment Effective Date** means the Effective Date under and as defined in the Amendment and Restatement Agreement.

**Amendment and Restatement Agreement** means the amendment and restatement agreement dated 16 June 2014 between, inter alios, the Company, Carnival plc and the Facilities Agent amending and restating this Agreement on and from the Amendment Effective Date.

**Approved Jurisdiction** means:

- (a) Italy;
- (b) The Netherlands;
- (c) Panama;
- (d) United Kingdom;
- (e) United States; or
- (f) any other country or jurisdiction agreed in writing by the Company and the Facilities Agent (acting on the instruction of all the Lenders).

**Availability Period** means the period from and including the Signing Date to and including the Termination Date.

**Available Bond Facility** means the aggregate, for the time being, of the Available Tranche D Commitments.

**Available Commitment** of a Lender means the aggregate of that Lender's:

- (a) Available Tranche A Commitment;
- (b) Available Tranche B Commitment;
- (c) Available Tranche C Commitment; and
- (d) Available Tranche D Commitment.

**Available Swingline Commitment** of a Swingline Lender means the aggregate of that Swingline Lender's:

- (a) Available Swingline Tranche A Commitment;
- (b) Available Swingline Tranche B Commitment; and
- (c) Available Swingline Tranche C Commitment.

**Available Swingline Tranche A Commitment** of a Swingline Lender under Tranche A means (but without limiting Clause 8.6 (*Relationship with the Facilities*)) that Lender's Swingline Tranche A Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Swingline Loans under Tranche A; and

- (b) in relation to any proposed Swingline Utilisation under Tranche A, the Base Currency Amount of its participation in any Swingline Loans that are due to be made under Tranche A on or before the proposed Utilisation Date,

other than that Lender's participation in any Swingline Loans under Tranche A that are due to be repaid or prepaid on or before the proposed Utilisation Date.

**Available Swingline Tranche A Facility** means the aggregate for the time being of each Swingline Lender's Available Swingline Tranche A Commitment.

**Available Swingline Tranche B Commitment** of a Swingline Lender under Tranche B means (but without limiting Clause 8.6 (*Relationship with the Facilities*)) that Lender's Swingline Tranche B Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Swingline Loans under Tranche B; and
- (b) in relation to any proposed Swingline Utilisation under Tranche B, the Base Currency Amount of its participation in any Swingline Loans that are due to be made under Tranche B on or before the proposed Utilisation Date,

other than that Lender's participation in any Swingline Loans under Tranche B that are due to be repaid or prepaid on or before the proposed Utilisation Date.

**Available Swingline Tranche B Facility** means the aggregate for the time being of each Swingline Lender's Available Swingline Tranche B Commitment.

**Available Swingline Tranche C Commitment** of a Swingline Lender under Tranche C means (but without limiting Clause 8.6 (*Relationship with the Facilities*)) that Lender's Swingline Tranche C Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Swingline Loans under Tranche C; and
- (b) in relation to any proposed Swingline Utilisation under Tranche C, the Base Currency Amount of its participation in any Swingline Loans that are due to be made under Tranche C on or before the proposed Utilisation Date,

other than that Lender's participation in any Swingline Loans under Tranche C that are due to be repaid or prepaid on or before the proposed Utilisation Date.

**Available Swingline Tranche C Facility** means the aggregate for the time being of each Swingline Lender's Available Swingline Tranche C Commitment.

**Available Tranche A Commitment** of a Lender means that Lender's Tranche A Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under Tranche A; and
- (b) in relation to any proposed Utilisation under Tranche A, the Base Currency Amount of its participation in any Utilisations under Tranche A that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Utilisations under Tranche A that are due to be repaid or prepaid on or before the proposed Utilisation Date or, for the purposes of calculating any Lender's Tranche A Indemnified Proportion, on or before the date of the proposed indemnification.

**Available Tranche B Commitment** of a Lender means that Lender's Tranche B Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under Tranche B; and
- (b) in relation to any proposed Utilisation under Tranche B, the Base Currency Amount of its participation in any Utilisations under Tranche B that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Utilisations under Tranche B that are due to be repaid or prepaid on or before the proposed Utilisation Date or, for the purposes of calculating any Lender's Tranche B Indemnified Proportion, on or before the date of the proposed indemnification.

**Available Tranche C Commitment** of a Lender means that Lender's Tranche C Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under Tranche C; and
- (b) in relation to any proposed Utilisation under Tranche C, the Base Currency Amount of its participation in any Utilisations under Tranche C that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Utilisations under Tranche C that are due to be repaid or prepaid on or before the proposed Utilisation Date or, for the purposes of calculating any Lender's Tranche C Indemnified Proportion, on or before the date of the proposed indemnification.

**Available Tranche D Commitment** of a Lender means that Lender's Tranche D Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under Tranche D; and
- (b) in relation to any proposed Utilisation under Tranche D, the Base Currency Amount of its participation in any Utilisations under Tranche D that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Utilisations under Tranche D that are due to be repaid or prepaid on or before the proposed Utilisation Date.

**Available Tranche A Facility** means the aggregate for the time being of each Lender's Available Tranche A Commitment.

**Available Tranche B Facility** means the aggregate for the time being of each Lender's Available Tranche B Commitment.

**Available Tranche C Facility** means the aggregate for the time being of each Lender's Available Tranche C Commitment.

**Available Tranche D Facility** means the aggregate for the time being of each Lender's Available Tranche D Commitment.



**Bank Levy** means the U.K. Bank Levy or any other bank levy, or a levy or Tax of similar nature imposed by reference to the assets or liabilities of a financial institution in any relevant jurisdiction which has been announced or implemented on or before the Amendment Effective Date.

**Base Currency** means:

- (a) in relation to Tranche A, US Dollars;
- (b) in relation to Tranche B, Sterling;
- (c) in relation to Tranche C, euro; and
- (d) in relation to Tranche D, US Dollars.

**Base Currency Amount** means, in relation to a Utilisation, the amount specified in the relevant Utilisation Request delivered by a Borrower for that Utilisation or (if the amount requested is not denominated in the Base Currency for the relevant Tranche requested in that Utilisation Request) that amount converted into the Base Currency for the relevant Tranche at the Facilities Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Facilities Agent receives the relevant Utilisation Request adjusted to reflect any repayment (other than a repayment arising from a change of currency), prepayment, consolidation or division of the Utilisation, and in addition in the case of a Bond, as adjusted under Clause 6.9 (*Revaluation of Bonds*).

**Basel III Framework** means:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

**Bond** means any bond (including but not limited to surety bonds and performance bonds), guarantee (including but not limited to financial guarantees and performance guarantees), letter of credit (including but not limited to financial letters of credit, performance letters of credit and standby letters of credit), indemnity or other deed of obligation issued or to be issued by a Tranche D Lender.

**Bond Borrower** means a Borrower who has requested a Bond Utilisation.

**Bond Utilisation** means a utilisation of a Bond under the Bonding Facility (including a renewal of a Bond in accordance with Clause 6.8 (*Renewal of a Bond*)).

**Bond Utilisation Request** means a notice substantially in the form set out in Part B of Schedule 3 (*Utilisation Request - Bonds*).

**Bonding Facility** means the bonding facility made available under Tranche D of this Agreement as described in Clause 6 (*Utilisation - Bonds*) in a maximum amount of US\$300,000,000.

**Borrower** means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 30 (*Changes to the Obligors*).

**Break Costs** means the amount (if any) by which:

- (a) the interest (excluding amounts in respect of Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period,  
  
exceeds:
- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London and New York and:

- (a) if on that day a payment in, or a purchase of, a currency (other than euro) is to be made, the principal financial centre of the country of that currency; or
- (b) if on that day a payment in, or a purchase of, euro is to be made, which is also a TARGET Day.

**Carnival Corporation & plc Group** means the Carnival Corporation Group and the Carnival plc Group.

**Carnival Corporation Group** means the Company and all its Subsidiaries from time to time.

**Carnival Material Group Member** means the Company, Carnival plc, each other Obligor or any Material Subsidiary.

**Carnival plc Group** means Carnival plc and all its Subsidiaries from time to time.

**Code** means the United States Internal Revenue Code of 1986, as amended.

**Commitment** means, at any time, in respect of a Lender, the aggregate of that Lender's:

- (a) Tranche A Commitment;
- (b) Tranche B Commitment (for the purpose only of calculating the utilisation fee pursuant to Clause 17.4 converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time);
- (c) Tranche C Commitment (for the purpose only of calculating the utilisation fee pursuant to Clause 17.4 converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time); and
- (d) Tranche D Commitment.

**Commitment Letter** means the commitment letter dated 1 April 2011 from the Arrangers to the Company and Carnival plc.

**Compliance Certificate** means a certificate substantially in the form set out in Schedule 7 (*Form of Compliance Certificate*).

**Confidentiality Undertaking** means a confidentiality undertaking substantially in the form set out in Schedule 8 (*Confidentiality Undertaking*).

**CP Programme** means:

- (a) any US Dollar, euro or Sterling commercial paper programme; or
- (b) any other short term borrowings having a term of not more than 364 days,

of a member of the Carnival Corporation & plc Group.

**CTA 2009** means the U.K. Corporation Tax Act 2009.

**CRD IV** means (A) Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU No. 648/2012) and (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

**Deeds of Guarantee** means:

- (a) the deed of guarantee issued by the Company in favour of the Facilities Agent on behalf of the Finance Parties in respect of Carnival plc dated on or about the Signing Date; and
- (b) the deed of guarantee issued by Carnival plc in favour of the Facilities Agent on behalf of the Finance Parties in respect of the Company dated on or about the Signing Date.

**Default** means:

- (a) an Event of Default; or
- (b) any event or circumstance specified in Clause 28 (*Events of Default*) which would (with the expiry of a grace period, or the giving of notice, or any combination of them) be an Event of Default.

**Defaulting Lender** means any Lender:

- (a) which has failed to make its participation in a Loan available or has notified the Facilities Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' participation*) or 8.5 (*Swingline Lenders' participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
  - (A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within five Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

**Disruption Event** means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other, Party:
  - (i) from performing its payment obligations under the Finance Documents; or
  - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

**DLC Documents** means the agreements, deeds, instruments and constituent documents related to the Company and Carnival plc, as amended from time to time, establishing the dual listed company structure between the Company and Carnival plc entered into as contemplated by the Offer and Implementation Agreement between the Company and Carnival plc dated 8 January 2003 namely the SVE Special Voting Deed, Carnival Corporation's Articles and By-Laws, Carnival plc's Memorandum and Articles, the Carnival Corporation Deed of Guarantee, the P&O Princess Guarantee (as each such expression is defined in the Equalisation and Governance Agreement), the deed between the Company and P&O Princess Cruises plc dated 17 April 2003, the pairing agreement between the Company, The Law Debenture Trust Corporation (Cayman) Limited and SunTrust Bank dated 17 April 2003, the P&O Princess special voting trust deed made between the Company and the Law Debenture Trust Corporation (Cayman) Limited dated 17 April 2003 and the Equalisation and Governance Agreement.

**Dutch Borrower** means each Additional Borrower resident for tax purposes in The Netherlands.

**Dutch Civil Code** means the Burgerlijk Wetboek.

**Dutch Insolvency Law** means Dutch Bankruptcy Act (*Faillissementswet*).

**Dutch Works Council Act** means the Netherlands Works Council Act (*Wet op de ondernemingsraden*).

**Equalisation and Governance Agreement** means the equalisation and governance agreement dated 17 April 2003 between the Company and Carnival plc.

**ERISA** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

**EURIBOR** means, in relation to any Loan in euro:

- (a) the applicable Screen Rate;
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or
- (c) if:
  - (i) no Screen Rate is available for the Interest Period of that Loan; and
  - (ii) it is not possible to calculate an Interpolated Screen Rate for that Loan,the Reference Bank Rate,

as of, in the case of paragraphs (a) and (c) above, the Specified Time on the Quotation Day for euro and for a period equal in length to the Interest Period of that Loan.

**euro, EUR and €** means the single currency of the Participating Member States.

**Event of Default** means any event or circumstance specified as such in Clause 28 (*Events of Default*).

**Excluded Assets** means any assets sold or otherwise disposed of by any person, provided such person, directly or indirectly has the right to possession or use of such assets notwithstanding such transfer or other disposition.

**Expiry Date** means, in respect of a Bond, the last day of the Term of that Bond.

**Extension Request** means a notice substantially in the form set out in Schedule 11 (*Form of Extension Request*).

**Facilities** means the multicurrency revolving facilities made available under this Agreement as described in Clause 2 (*The Facilities*).

**Facilities Agent's Spot Rate of Exchange** means the Facilities Agent's spot rate of exchange for the purchase of a relevant currency with US Dollars, euro or Sterling, as the case may be, in the London foreign exchange market at or about 11:00 a.m. on a particular day.

**Facility Office** means the office or offices notified by a Lender to the Facilities Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

**FATCA** means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

**FATCA Application Date** means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

**FATCA Deduction** means a deduction or withholding from a payment under a Finance Document required by FATCA.

**FATCA Exempt Party** means a Party that is entitled to receive payments free from any FATCA Deduction.

**Federal Funds Rate** means, in relation to any day, the rate per annum equal to:

- (a) the weighted average of the rates on overnight Federal funds transactions with members of the US Federal Reserve System arranged by Federal funds brokers, as published for that day (or, if that day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York; or
- (b) if a rate is not so published for any day which is a Business Day, the average of the quotations for that day on such transactions received by the Facilities Agent from three Federal funds brokers of recognised standing selected by the Facilities Agent.

**Fee Letter** means any letter or letters dated on or about the Signing Date or the Amendment Effective Date, as appropriate, between the Arrangers and the Company, the Facilities Agent and the Company, the active bookrunners (as such term is used in the Commitment Letter) and the Company, setting out any of the fees referred to in Clause 17 (*Fees*).

**Finance Document** means:

- (a) this Agreement;
- (b) the Amendment and Restatement Agreement;
- (c) each Fee Letter;
- (d) each of the Deeds of Guarantee;
- (e) each Utilisation Request;
- (f) a Transfer Certificate (if any);
- (g) any Accession Letter;
- (h) any Resignation Letter; and
- (i) any other document designated as such by the Facilities Agent and the Company.

**Finance Party** means the Facilities Agent, an Arranger or a Lender.

**General Banking Conditions** means the general banking terms and conditions (*algemene Bankvoorwaarden*) of any member of the Dutch Association for Banks (*Nederlandse Vereniging van Banken*).

**Holding Company** means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

**Impaired Agent** means the Facilities Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Facilities Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Facilities Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Facilities Agent;

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
  - (A) administrative or technical error; or
  - (B) a Disruption Event; andpayment is made within three Business Days of its due date; or
- (ii) the Facilities Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

**Increase Confirmation** means a confirmation substantially in the form set out in Schedule 10 (*Form of Increase Confirmation*).

**Increase Date** has the meaning given to that term in the Increase Confirmation.

**Increase Lender** has the meaning given to that term in Clause 2.2 (*Increase*).

**Increased Cost** means:

- (a) a reduction in the rate of return from the Facilities or on a Finance Party’s (or its Affiliate’s) overall capital;
- (b) an additional or increased cost; or
- (c) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates but only to the extent that it is attributable to that Finance Party having entered into its Tranche A Commitment, Tranche B Commitment, Tranche C Commitment and/or Tranche D Commitment or funding or performing its obligations under any Finance Document.

**Insolvency Event** in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
  - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**Interest Period** means:



- (a) in relation to a Loan (other than a Swingline Loan), each period determined in accordance with Clause 15 (*Interest Periods*);
- (b) in relation to a Swingline Loan, each period determined in accordance with Clause 9.7 (*Interest Period*); and
- (c) in relation to an Unpaid Sum, each period determined in accordance with Clause 14.3 (*Interest on overdue amounts*).

**Interpolated Screen Rate** means, in relation to LIBOR or EURIBOR for any Loan, the rate rounded to the same number of decimal places as the two relevant Screen Rates which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time on the Quotation Day for the currency of that Loan.

**ITA 2007** means the U.K. Income Tax Act 2007.

**Italian Banking Act** means the Legislative Decree no. 385 of 1 September 1993 (as amended and supplemented from time to time).

**Italian Insolvency Law** means Royal Decree no. 267 of 16 May 1942 (as amended and supplemented from time to time).

**Lender** means:

- (a) any Original Lender; and
- (b) any bank or financial institution which has become a Party in accordance with the Amendment and Restatement Agreement, Clause 2.2 (*Increase*) or Clause 29 (*Changes to the Lenders*) in the capacity of Lender,

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

**LIBOR** means, in relation to any Loan in any currency (other than euro):

- (a) the applicable Screen Rate;
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or
- (c) if:
  - (i) no Screen Rate is available for the currency of that Loan; or
  - (ii) no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan,

the Reference Bank Rate,

as of, in the case of paragraphs (a) and (c) above, the Specified Time on the Quotation Day for the currency of that Loan and for a period equal in length to the Interest Period of that Loan.

**Loan** means a Loan Utilisation or a Swingline Loan or the principal amount outstanding for the time being of that Loan Utilisation or Swingline Loan, as the case may be.

**Loan Utilisation** means a loan made or to be made under Clause 5, including any loan deemed to have been requested under Clauses 7.1(b) and 9.3(b).

**Loan Utilisation Request** means a notice substantially in the form set out in Part A of Schedule 3 (*Utilisation Request - Loans*).

**Majority Lenders** means, at any time, a Lender or Lenders whose Commitments aggregate more than 66 <sup>2</sup>/<sub>3</sub>% of the Total Commitments (or, if the Total Commitments have been reduced to zero and there are no Utilisations then outstanding, aggregated more than 66 <sup>2</sup>/<sub>3</sub>% of the Total Commitments immediately prior to the reduction).

**Margin** means at any time the percentage rate per annum determined at such time to be the margin in accordance with Clause 14.5 (*Margin*).

**Material Adverse Effect** means a material and adverse effect on:

- (a) the ability of any Obligor to perform and observe its payment obligations under any Finance Document; and
- (b) the financial condition of the Carnival Corporation & plc Group as a whole.

**Material Subsidiary** means, at any time, a Subsidiary of the Company or Carnival plc whose gross assets, pre-tax profits or turnover then equal or exceed 10 per cent. of the gross assets, pre-tax profits or turnover of the Carnival Corporation & plc Group.

For this purpose:

- (a) the gross assets, pre-tax profits or turnover of a Subsidiary of the Company or Carnival plc will be determined from its financial statements (consolidated if it has Subsidiaries) upon which the latest audited financial statements of the Carnival Corporation & plc Group have been based;
- (b) if a Subsidiary of the Company or Carnival plc becomes a member of the Carnival Corporation & plc Group after the date on which the latest audited financial statements of the Carnival Corporation & plc Group have been prepared, the gross assets, pre-tax profits or turnover of that Subsidiary will be determined from its latest financial statements;
- (c) the gross assets, pre-tax profits or turnover of the Carnival Corporation & plc Group will be determined from its latest audited financial statements, adjusted (where appropriate) to reflect the gross assets, pre-tax profits or turnover of any company or business subsequently acquired or disposed of; and
- (d) if a Material Subsidiary disposes of all or substantially all of its assets to another member of the Carnival Corporation & plc Group, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Subsidiaries and the Carnival Corporation & plc Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Company or Carnival plc will be, in the absence of manifest error, conclusive.

**Moody's** means Moody's Investor Services, Inc.

**New Lender** has the meaning given to that term in Clause 29.1 (*Assignments and transfers by the Lenders*).

**Non-Eligible Tranche D Lender** means a Tranche A Lender which has notified the Company in writing that it is not permitted (by its constitutional documents or any applicable law) to participate in Tranche D.

**Non-Recourse Financing Arrangement** means a non-recourse financing arrangement under which (in the case of Borrowed Money) the lender's right of recourse is limited to a specific asset of the relevant member of the Carnival Corporation & plc Group or in the case of an asset or property, the asset or property is collateral for the financing and there is no further recourse by the relevant creditor against the general assets of any member of the Carnival Corporation & plc Group.

**Obligor** means a Borrower or a Guarantor.

**Obligors' Agent** means the Company, appointed to act on behalf of each Obligor (other than the Company, Costa Crociere S.p.A. and any other Obligor incorporated in Italy) in relation to the Finance Documents pursuant to Clause 2.4 (*Obligors' Agent*).

**OFAC** has the meaning given to that term in Clause 24.9 (*United States law*).

**Optional Currency** means a currency (other than the Base Currency for the relevant Tranche) which complies with the conditions set out in Clause 11.3 (*Conditions relating to Optional Currencies*).

**Original Financial Statements** means the audited consolidated financial statements of the Carnival Corporation & plc Group for the financial year ended 30 November 2010.

**Original Obligor** means an Original Borrower or a Guarantor.

**Overall Tranche A Commitment** of a Lender means:

- (a) its Tranche A Commitment; or
- (b) in the case of a Swingline Lender which does not have a Tranche A Commitment, the Tranche A Commitment of a Lender which is its Affiliate.

**Overall Tranche B Commitment** of a Lender means:

- (a) its Tranche B Commitment; or
- (b) in the case of a Swingline Lender which does not have a Tranche B Commitment, the Tranche B Commitment of a Lender which is its Affiliate.

**Overall Tranche C Commitment** of a Lender means:

- (a) its Tranche C Commitment; or
- (b) in the case of a Swingline Lender which does not have a Tranche C Commitment, the Tranche C Commitment of a Lender which is its Affiliate.

**Participating Member State** means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

**Party** means a party to this Agreement.

**Quotation Day** means, in relation to any Interest Period for which an interest rate is to be determined:

- (a) (if the currency is Sterling) the first day of that Interest Period;
- (b) (if the currency is euro) two TARGET Days before the first day of that Interest Period; or
- (c) (for any other currency) two Business Days before the first day of that Interest Period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Facilities Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

**Rating Requirements** means, at any time, in relation to any Lender or any other bank or financial institution, a long term unsubordinated credit rating of:

- (a) at least Baa1 by Moody's; or
- (b) at least BBB+ by S&P.

**Reference Bank Rate** means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facilities Agent at its request by the Reference Banks:

- (a) in relation to LIBOR, as the rate at which the relevant Reference Bank could borrow funds in the London interbank market; or
- (b) in relation to EURIBOR, as the rate at which the relevant Reference Bank could borrow funds in the European interbank market,

in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

**Reference Banks** means the principal London offices of BNP Paribas, J.P. Morgan Limited, The Royal Bank of Scotland plc and/or such other banks or financial institutions agreed to by the Company and the Facilities Agent.

**Relevant Interbank Market** means in relation to euro, the European interbank market and, in relation to any other currency, the London interbank market.

**Renewal Request** means a Bond Utilisation Request identified as being a **Renewal Request** and otherwise complying with Clause 6.8(b).

**Repeating Representations** means the representations which are deemed to be repeated under Clause 24.10 (*Times for making representations*).

**Resignation Letter** means a letter substantially in the form set out in Schedule 6 (*Form of Resignation Letter*).

**Rollover Loan** means one or more Loans under a Facility in respect of the same Tranche:

- (a) made or to be made on the same day that a maturing Loan is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the maturing Loan;
- (c) in the same currency as the maturing Loan (unless it arose as a result of the operation of Clause 11.2 (*Unavailability of a currency*)); and
- (d) made or to be made to the same Borrower for the purpose of refinancing a maturing Loan.

**Rules** means:

- (a) the Uniform Customs and Practices for Documentary Credits, International Chamber of Commerce, publication No. 600 (or any subsequent revision thereof);
- (b) the International Chamber of Commerce Uniform Rules for Demand Guarantees URDG 758 (or any subsequent revision thereof);
- (c) the International Standby Practices (ISP98); or
- (d) any other rules or practices in respect of a Bond agreed between the relevant Tranche D Lender and the relevant Bond Borrower.

**S&P** means Standard & Poor's Rating Services.

**Screen Rate** means:

- (a) in relation to LIBOR, the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate); and
- (b) in relation to EURIBOR, the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Reuters screen (or any replacements Reuters page which displays that rate),

or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Facilities Agent may specify another page or service displaying the relevant rate after consultation with the Company.

**SEC** means the United States Securities Exchange Commission.

**Security Interest** means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

**Separate Loan** has the meaning given to that term in Clause 12 (*Repayment*).

**Signing Date** means the date of this Agreement.

**Specified Time** means, for any purpose, a time determined for that purpose in accordance with Schedule 9 (*Timetables*).

**Sterling, GBP and £** means the lawful currency of the United Kingdom from time to time.

**Subsidiary** means a subsidiary within the meaning of section 1159 of the Companies Act 2006 and, for the purposes of Clause 26 (*Financial Covenants*) and in relation to financial statements of the Carnival Corporation & plc Group, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

**Swingline Commitment** of a Swingline Lender means that Swingline Lender's:

- (a) Swingline Tranche A Commitment;
- (b) Swingline Tranche B Commitment; and
- (c) Swingline Tranche C Commitment.

**Swingline Facilities** means the swingline loan facilities made available under this Agreement as described in Clause 9 (*Swingline loans*).

**Swingline Lender** means:

- (a) an Original Lender listed in Part C of Schedule 1 as a swingline lender; or
- (b) any other person that becomes a swingline lender after the Signing Date in accordance with Clause 29 (*Changes to Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

**Swingline Loan** means a loan made or to be made under any Swingline Facility.

**Swingline Loan Utilisation Request** means a notice substantially in the form set out in Part C of Schedule 3 (*Utilisation Request - Swingline Loans*).

**Swingline Tranche A Commitment** means:

- (a) in relation to a Swingline Lender under Tranche A on the Amendment Effective Date, the amount in the Base Currency for Tranche A set opposite its name under the heading Swingline Tranche A Commitment in Part C of Schedule 1 (*The Parties*) of this Agreement and the amount of any other Swingline Tranche A Commitment transferred to it under this Agreement; and
- (b) in relation to any other Swingline Lender under Tranche A, the amount in the Base Currency for Tranche A of any Swingline Tranche A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**Swingline Tranche B Commitment** means:

- (a) in relation to a Swingline Lender under Tranche B on the Amendment Effective Date, the amount in the Base Currency for Tranche B set opposite its name under the heading Swingline Tranche B Commitment in Part C of Schedule 1 (*The Parties*) of this Agreement and the amount of any other Swingline Tranche B Commitment transferred to it under this Agreement; and

- (b) in relation to any other Swingline Lender under Tranche B, the amount in the Base Currency for Tranche B of any Swingline Tranche B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**Swingline Tranche C Commitment** means:

- (a) in relation to a Swingline Lender under Tranche C on the Amendment Effective Date, the amount in the Base Currency for Tranche C set opposite its name under the heading Swingline Tranche C Commitment in Part C of Schedule 1 (*The Parties*) of this Agreement and the amount of any other Swingline Tranche C Commitment transferred to it under this Agreement; and
- (b) in relation to any other Swingline Lender under Tranche C, the amount in the Base Currency for Tranche C of any Swingline Tranche C Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**TARGET2** means Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**TARGET Day** means a day on which TARGET2 is open for the settlement of payments in euro.

**Taxes** means any and all present and future taxes, levies, imposts, duties, fees or charges of whatever nature or withholding of a similar nature together with interest thereon and penalties in respect thereof and **Tax** means any one of them.

**Tax Credit** means a credit against any Tax or any relief or remission for Tax (or its repayment).

**Tax Deduction** means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

**Tax Payment** means a payment made by an Obligor to a Finance Party in any way relating to a Tax Deduction or under any indemnity given by that Obligor in respect of Tax under any Finance Document.

**Term** means, in respect of a Bond, the period for which a Tranche D Lender is under a liability under that Bond.

**Termination Date** means, subject to Clause 10 (*Extension Option*), the date which falls five (5) years after the Amendment Effective Date.

**Test Date - Bonds** means each date falling at three month intervals after the Signing Date.

**Test Total - Bonds** means, at any time, the aggregate in US Dollars of each Bond Utilisation outstanding at that time, where each Bond Utilisation not denominated in US Dollars is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time.

**Total Commitments** means, at any time, the aggregate of:

- (a) the Total Tranche A Commitments;
- (b) the Total Tranche B Commitments (converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time);

- (c) the Total Tranche C Commitments (converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time); and
- (d) the Total Tranche D Commitments.

**Total Swingline Tranche A Commitments** means, at any time, the aggregate of the Swingline Tranche A Commitments of all the Swingline Lenders under Tranche A at that time.

**Total Swingline Tranche B Commitments** means, at any time, the aggregate of the Swingline Tranche B Commitments of all the Swingline Lenders under Tranche B at that time.

**Total Swingline Tranche C Commitments** means, at any time, the aggregate of the Swingline Tranche C Commitments of all the Swingline Lenders under Tranche C at that time.

**Total Tranche A Commitments** means, at any time, the aggregate of the Tranche A Commitments of all the Lenders at that time.

**Total Tranche B Commitments** means, at any time, the aggregate of the Tranche B Commitments of all the Lenders at that time.

**Total Tranche C Commitments** means, at any time, the aggregate of the Tranche C Commitments of all the Lenders at that time.

**Total Tranche D Commitments** means, at any time, the aggregate of the Tranche D Commitments of all the Lenders at that time.

**Tranche** means:

- (a) Tranche A;
- (b) Tranche B;
- (c) Tranche C; or
- (d) Tranche D.

**Tranche A** means the facility made available by the Lenders to the Borrowers under Clause 2.1(a)(i).

**Tranche B** means the facility made available by the Lenders to the Borrowers under Clause 2.1(a)(ii).

**Tranche C** means the facility made available by the Lenders to the Borrowers under Clause 2.1(a)(iii).

**Tranche D** means the facility made available by the Lenders to the Borrowers under Clause 1.2(a)(iv).

**Tranche A Commitment** means:

- (a) in relation to a Lender on the Amendment Effective Date, the amount in the Base Currency for Tranche A set opposite its name under the heading Tranche A Commitment in Part B of Schedule 1 (*The Parties*) of this Agreement and the amount of any other Tranche A Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency for Tranche A of any Tranche A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),



to the extent not cancelled, reduced or transferred by it under this Agreement.

**Tranche A Indemnified Proportion** means, in relation to a Lender, the proportion (expressed as a percentage) borne by that Lender's Available Tranche A Commitment to the Available Tranche A Facility, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

**Tranche B Commitment** means:

- (a) in relation to a Lender on the Amendment Effective Date, the amount in the Base Currency for Tranche B set opposite its name under the heading Tranche B Commitment in Part B of Schedule 1 (*The Parties*) of this Agreement and the amount of any other Tranche B Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency for Tranche B of any Tranche B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**Tranche B Indemnified Proportion** means, in relation to a Lender, the proportion (expressed as a percentage) borne by that Lender's Available Tranche B Commitment to the Available Tranche B Facility, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

**Tranche C Commitment** means:

- (a) in relation to a Lender on the Amendment Effective Date, the amount in the Base Currency for Tranche C set opposite its name under the heading Tranche C Commitment in Part B of Schedule 1 (*The Parties*) of this Agreement and the amount of any other Tranche C Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency for Tranche C of any Tranche C Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**Tranche C Indemnified Proportion** means, in relation to a Lender, the proportion (expressed as a percentage) borne by that Lender's Available Tranche C Commitment to the Available Tranche C Facility, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

**Tranche D Commitment** means:

- (a) in relation to a Lender on the Amendment Effective Date, the amount in the Base Currency for Tranche D set opposite its name under the heading Tranche D Commitment in Part B of Schedule 1 (*The Parties*) of this Agreement and the amount of any other Tranche D Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency for Tranche D of any Tranche D Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**Tranche D Lender** means a Lender under Tranche D.

**Transfer Certificate** means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Facilities Agent and the Company.

**Transfer Date** means, in relation to a transfer, the later of:

- (a) the proposed Transfer Date specified in the Transfer Certificate; and
- (b) the date on which the Facilities Agent executes the Transfer Certificate.

**U.K.** and **United Kingdom** means the United Kingdom of Great Britain and Northern Ireland.

**U.K. Bank Levy** means the bank levy imposed pursuant to Part 6 and Schedule 19 of the UK Finance Act 2011.

**Unpaid Sum** means any sum due and payable but unpaid by an Obligor under the Finance Documents.

**USA Patriot Act** has the meaning given to that term in Clause 24.9(a)(i) (*United States Law*).

**US Borrower** means a Borrower whose jurisdiction of organisation is a state of the United States of America or the District of Columbia.

**US Dollar, USD** and **US\$** means the lawful currency of the United States of America from time to time.

**US Tax Obligor** means:

- (a) a Borrower which is resident for tax purposes in the United States of America; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes.

**Utilisation** means a Loan Utilisation, a Bond Utilisation and a Swingline Loan, as the case may be.

**Utilisation Date** means the date on which a Utilisation is made.

**Utilisation Request** means a Loan Utilisation Request, a Bond Utilisation Request or a Swingline Loan Utilisation Request, as the case may be.

**VAT** means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

## 1.2 Construction

- (a) The following definitions have the meanings given to them in Clause 26.1 (*Definitions*):
  - (i) Borrowed Money;

- (ii) Capital Lease;
- (iii) Consolidated Capital;
- (iv) Consolidated Net Interest Charges;
- (v) EBITDA;
- (vi) Excluded Indebtedness;
- (vii) GAAP;
- (viii) Indebtedness;
- (ix) Interest;
- (x) Interest Payable;
- (xi) Interest Receivable;
- (xii) Issued Capital and Consolidated Reserves;
- (xiii) Measurement Period; and
- (xiv) Testing Date.

(b) In this Agreement, unless the contrary intention appears, a reference to:

- (i) an **amendment** includes a supplement, novation, restatement or re-enactment and amended will be construed accordingly;
- (ii) **assets** includes present and future properties, revenues and rights of every description;
- (iii) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarization;
- (iv) **consolidation** in relation to the Carnival Corporation & plc Group means a combination of the relevant financial items of the Carnival Corporation Group and the Carnival plc Group and **consolidated** will be construed accordingly;

- (v) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and dispose will be construed accordingly;
  - (vi) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money whether present or future, actual or contingent;
  - (vii) a **person** includes any individual, company, corporation, partnership, business trust, joint venture, association, joint stock company, trust or other unincorporated organization whether or not a legal entity, or any governmental or agency or political subdivision thereof;
  - (viii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any Party to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization with authority to regulate the business of any affected Party;
  - (ix) a currency (other than the euro) is a reference to the lawful currency for the time being of the relevant country;
  - (x) a Default being **outstanding** means that it has not been remedied or waived;
  - (xi) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
  - (xii) a clause, a subclause or a schedule is a reference to a clause or subclause of, or a schedule to, this Agreement;
  - (xiii) a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
  - (xiv) a Finance Document or another document is a reference to that Finance Document or other document as amended including any amendment providing for an increase in the amount of a facility or any additional facility; and
  - (xv) a time of day is a reference to London time.
- (c) Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
  - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
  - (iii) notwithstanding sub-paragraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.

- (d) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) and, notwithstanding any term of any Finance Document, no consent of any third party is required for any variation (including any release or compromise of any liability) or termination of that Finance Document.
- (e) Unless the contrary intention appears:
- (i) a reference to a party will not include that Party if it has ceased to be a Party under this Agreement;
  - (ii) a word or expression used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement; and
  - (iii) any obligation of an Obligor under the Finance Documents which is not a payment obligation remains in force for so long as any payment obligation of an Obligor is or may be outstanding under the Finance Documents.
- (f) The headings in this Agreement do not affect its interpretation.
- (g) Any reference in this Agreement to:
- (i) the Interest Period of a Bond will be construed, notwithstanding Clause 15.1(b), as a reference to the Term of that Bond;
  - (ii) a Utilisation made or to be made to a Bond Borrower includes a Bond issued on its behalf;
  - (iii) an outstanding amount of a Bond at any time is the maximum amount that is or may be payable by the Bond Borrower in respect of that Bond at that time;
  - (iv) amounts outstanding under this Agreement includes amounts outstanding under or in respect of a Bond;
  - (v) a Borrower **repaying** or **prepaying** a Bond means:
    - (A) that Borrower providing cash cover for that Bond;
    - (B) the maximum amount payable under that Bond being reduced in accordance with its terms; or
    - (C) the relevant Tranche D Lender being satisfied that it has no further liability under that Bond,and the amount by which a Bond is repaid or prepaid under paragraphs (g)(v)(A) and (g)(v)(B) above is the amount of the relevant cash cover or reduction; and
  - (vi) a Bond Borrower providing **cash cover** for a Bond means a Bond Borrower (or another Obligor on its behalf) paying an amount in the currency of the Bond or, in relation to cash cover provided under Clause (b)(ii), US Dollars, into an interest-bearing account in the name of the Bond Borrower and the following conditions being met:

- (A) the account is with the relevant Tranche D Lender which issued that Bond;
- (B) withdrawals from the account may only be made to pay a Finance Party amounts due and payable to it under this Agreement in respect of that Bond until no amount is or may be outstanding under that Bond; and
- (C) the Bond Borrower (or relevant Obligor) has executed a security document over that account, in form and substance satisfactory to the Tranche D Lender with which that account is held, creating a first ranking security interest over that account.

(h) Any reference in this Agreement to:

- (i) an **Affiliate** in relation to The Royal Bank of Scotland plc, shall not include (i) the UK government or any member or instrumentality thereof, including Her Majesty's Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof); or (ii) any persons or entities controlled by or under common control with the U.K. government or any member or instrumentality thereof (including Her Majesty's Treasury and UK Financial Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings;
- (ii) an **Interest Period** includes each period determined under this Agreement by reference to which interest on a Swingline Loan is calculated; and
- (iii) a **Lender** includes a Swingline Lender unless the context otherwise requires.

(i) In this Agreement, where it relates to a Borrower incorporated in The Netherlands, a reference to:

- (i) an **administration, winding up or dissolution** includes a Dutch entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*);
- (ii) a **moratorium** means *surséance van betaling* and **granted a moratorium** means *surséance verleend*;
- (iii) a **trustee** includes a *curator*;
- (iv) an **administrator or receiver** means a *bewindvoerder* or *curator*;
- (v) an **attachment** means a *beslag*;
- (vi) **necessary corporate action to authorise**, where applicable, includes without limitation, to the extent a works council (*ondernemingsraden*) is established and to the extent that any rights to consult (*in de gelegenheid stellen tot advies uitbrengen*) the works council or for the works council to approve (*instemming met*) are triggered under the Dutch Works Council Act, any action required to comply with the Dutch Works Council Act; and
- (vii) a **security interest** includes a mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*) and in general any right *in rem* (*beperkt recht*) created for the purposes of granting security (*goederenrechtelijk zekerheidsrecht*).

## 2. THE FACILITIES

### 2.1 The Facilities

- (a) Subject to the terms of this Agreement, the Lenders make available to the Borrowers multicurrency revolving facilities in four (4) tranches being:
- (i) a US Dollar facility in an aggregate amount equal to the Total Tranche A Commitments;
  - (ii) a Sterling facility in an aggregate amount equal to the Total Tranche B Commitments;
  - (iii) a euro facility in an aggregate amount equal to the Total Tranche C Commitments; and
  - (iv) a US Dollar facility in an aggregate amount equal to the Total Tranche D Commitments.
- (b) Each Lender under Tranche C which lends to Borrowers incorporated in Italy must be a Qualifying Lender (as defined in Clause 18.11) unless such Lender has ceased to be a Qualifying Lender by reason of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or double taxation agreement or any published practice or concession of any relevant taxing authority.
- (c) If a Borrower is incorporated in Italy, that Borrower may only request a Loan under Tranche C.

### 2.2 Increase

- (a) The Company may by giving prior notice to the Facilities Agent after the effective date of a cancellation of:
- (i) the Available Commitment and/or the Available Swingline Commitment of a Defaulting Lender (or its Affiliate) in accordance with Clause 13.6(g) (*Involuntary prepayment and cancellation and replacement of Lender*); or
  - (ii) the Commitments of a Lender (or its Affiliate) in accordance with Clause 13.1 (*Mandatory prepayment - illegality*),
- request that the Total Commitments or the relevant Swingline Commitments be increased (and the Total Commitments under that Facility or the relevant Swingline Commitments shall be so increased) in an aggregate amount in the Base Currency of up to the amount of the Available Commitments or Available Swingline Commitment so cancelled as follows:
- (iii) the increased Commitments and/or relevant Swingline Commitments will be assumed by one or more Lenders or other banks or financial institutions (each an **Increase Lender**) selected by the Company (each of which shall not be a member of the Carnival Corporation & plc Group) and each of which confirms its willingness to assume and does assume all the obligations of a Defaulting Lender corresponding to that part of the increased Commitments and/or relevant Swingline Commitments which it is to assume, as if it had been an Original Lender;
  - (iv) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;
  - (v) each Increase Lender shall become a Party as a “Lender” and (where appropriate) “Swingline Lender” and any Increase Lender and each of the other Finance Parties shall

assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;

- (vi) the Commitments and Swingline Commitments of the other Lenders shall continue in full force and effect; and
  - (vii) any increase in the Total Commitments and/or the relevant Swingline Commitments shall take effect on the date specified by the Company in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.
- (b) An increase in the Total Commitments and/or the relevant Swingline Commitments will only be effective on:
- (i) the execution by the Facilities Agent of an Increase Confirmation from the relevant Increase Lender; and
  - (ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase the performance by the Facilities Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments and/or the relevant Swingline Commitments by that Increase Lender, the completion of which the Facilities Agent shall promptly notify to the Company and the Increase Lender.
- (c) No Swingline Commitment of a Lender may exceed the Commitment of that Lender or its Affiliate pursuant to the operation of this Clause 2.2. Accordingly where the Swingline Commitments are to be increased pursuant to this Clause to replace Swingline Commitments of a Swingline Lender that have been cancelled pursuant to Clause 13.6(g) (*Involuntary prepayment and cancellation and replacement of Lender*) or Clause 13.1 (*Mandatory prepayment - illegality*) without a commensurate cancellation of the Commitments of that Swingline Lender’s Affiliate being required at the time of such cancellation, that Affiliate shall (to the extent of its Commitments at the time of the increase in Swingline Commitments) be required to transfer its Commitments to the relevant Increase Lender (or its Affiliate) on the terms provided for in Clause 40.4 (*Replacement of a Defaulting Lender*) to the extent necessary to ensure that the Commitments of the Increase Lender (or its Affiliate) are at least equal to each of the Swingline Commitments assumed by that Increase Lender.
- (d) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Facilities Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (e) Unless the Facilities Agent otherwise agrees or the increased Commitment and/or Swingline Commitment is assumed by an existing Lender, the Company shall, on the date upon which the increase takes effect, pay to the Facilities Agent (for its own account) a fee of USD3,500 and promptly on demand pay to the Facilities Agent the amount of all reasonable costs and expenses (including legal fees) reasonably incurred by it in connection with any increase in Commitments under this Clause 2.2.
- (f) The Company may pay to the Increase Lender a fee in the amount and at the times agreed between the Company and the Increase Lender in a letter between the Company and the Increase Lender setting out that fee. A reference in this Agreement to a Fee Letter shall include any letter referred to in this paragraph.



(g) Clause 29.3 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:

- (i) an **Existing Lender** were references to all the Lenders immediately prior to the relevant increase;
- (ii) the **New Lender** were references to that **Increase Lender**; and
- (iii) a **re-transfer** and **re-assignment** were references to respectively a **transfer** and **assignment**.

### 2.3 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

### 2.4 Obligors' Agent

- (a) Each Obligor (other than the Company, Costa Crociere S.p.A. and any other Obligor incorporated in Italy) by its execution of this Agreement or an Accession Letter irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
  - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
  - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Company,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such Obligor became an Obligor under any Finance Document) shall be binding

for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

### **3. PURPOSE**

#### **3.1 Purpose**

Each Borrower shall apply all amounts utilised by it under the Facilities:

- (a) by way of Loan Utilisations or Swingline Loans towards general liquidity and/or working capital purposes of the Carnival Corporation & plc Group including but not limited to (in the case of Swingline Loans) support for any CP Programme; and
- (b) by way of Bond Utilisations, for the purposes of securing the commercial obligations specified in the Bond.

#### **3.2 Monitoring**

No Finance Party is bound to monitor or verify the utilisation of the Facilities pursuant to this Agreement.

### **4. CONDITIONS OF UTILISATION**

#### **4.1 Initial conditions precedent**

No Borrower may deliver a Utilisation Request unless the Facilities Agent has received all of the documents and other evidence listed in Part A of Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Facilities Agent. The Facilities Agent shall notify the Company and the Lenders promptly upon being so satisfied.

### **5. UTILISATION - LOAN**

#### **5.1 Delivery of a Loan Utilisation Request**

- (a) A Borrower may utilise the Facilities for Loan Utilisations by delivery to the Facilities Agent of a duly completed Loan Utilisation Request.
- (b) Unless the Facilities Agent otherwise agrees, the latest time for receipt by the Facilities Agent of a duly completed Loan Utilisation Request is the Specified Time one (1) Business Day before the Quotation Day for the proposed Loan Utilisation.

#### **5.2 Completion of a Loan Utilisation Request**

- (a) Each Loan Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
  - (i) it identifies the Tranche to be utilised;
  - (ii) the proposed Utilisation Date is a Business Day falling within the Availability Period;
  - (iii) the currency and amount of the Loan Utilisation comply with Clause 5.3 (*Currency and amount*); and
  - (iv) the proposed Interest Period complies with Clause 15 (*Interest Periods*).

- (b) Only one Loan Utilisation may be requested in each Loan Utilisation Request.
- (c) Subject to paragraph (d) below, a Borrower may not deliver a Loan Utilisation Request for a Loan Utilisation if as a result of the proposed Loan Utilisation more than twelve (12) Loan Utilisations would be outstanding.
- (d) For the purposes of paragraph (c) above, the following shall not be taken into account:
  - (i) a Loan Utilisation made pursuant to Clause 7.1(b) to repay a Bond Utilisation or any amount outstanding under a Bond;
  - (ii) a Loan Utilisation made pursuant to Clause 9.3(b) to repay a Swingline Loan that has become due and payable;
  - (iii) any Utilisation made by a single Lender under Clause 11.2 (*Unavailability of a currency*); and
  - (iv) any Separate Loan.

### 5.3 Currency and amount

- (a) The currency specified in a Loan Utilisation Request given under Clause 5.1 must be the Base Currency for the Tranche requested or an Optional Currency.
- (b) The amount of the proposed Loan Utilisation must be:
  - (i) if the currency selected is the Base Currency:
    - (A) in respect of Tranche A, a minimum of US\$2,000,000 or, if less, the Available Tranche A Facility;
    - (B) in respect of Tranche B, a minimum of £1,000,000 or, if less, the Available Tranche B Facility;
    - (C) in respect of Tranche C, a minimum of €1,500,000 or, if less, the Available Tranche C Facility; or
    - (D) in respect of Tranche D, a minimum of US\$2,000,000 or, if less, the Available Tranche D Facility.
  - (ii) if the currency selected is an Optional Currency and does not require the approval of the Facilities Agent under Clause 11.3(a) (i):
    - (A) in respect of Tranche A, a minimum of US\$2,000,000 or, if less, the Available Tranche A Facility (where the amount of the proposed Loan Utilisation is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange on the date of the Loan Utilisation Request);
    - (B) in respect of Tranche B, a minimum of £1,000,000 or, if less, the Available Tranche B Facility (where the amount of the proposed Loan Utilisation is converted into Sterling at the Facilities Agent's Spot Rate of Exchange on the date of the Loan Utilisation Request);

- (C) in respect of Tranche C, a minimum of €1,500,000 or, if less, the Available Tranche C Facility (where the amount of the proposed Loan Utilisation is converted into euro at the Facilities Agent's Spot Rate of Exchange on the date of the Loan Utilisation Request); or
  - (D) in respect of Tranche D, a minimum of US\$2,000,000 or, if less, the Available Tranche D Facility (where the amount of the proposed Loan Utilisation is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange on the date of the Loan Utilisation Request); and
- (iii) if the currency selected is an Optional Currency and it has been approved by the Facilities Agent under Clause 11.3(a)(i), the minimum amount (and, if required, integral multiple) specified by the Facilities Agent pursuant to Clause 11.3(b) (*Conditions relating to Optional Currencies*).

#### **5.4 Lenders' participation**

- (a) Subject to paragraph (b) below, the Lenders will only be obliged to comply with this Clause 5.4 (*Lenders' participation*) if on the proposed Utilisation Date:
- (i) in the case of a Rollover Loan, no Event of Default is outstanding or would result from the proposed Rollover Loan and, in the case of any other Loan Utilisation, no Default is outstanding or would result from the proposed Loan Utilisation; and
  - (ii) the Repeating Representations to be made by each Obligor are correct in all material respects.
- (b) The Lenders shall be obliged to comply with this Clause 5.4 in relation to any Loan Utilisation made pursuant to Clause 7.1(b) or Clause 9.3(b) provided that paragraph (a) shall not apply to any such Loan Utilisation, and the conditions referred to in paragraphs (f) and (g) below shall be deemed satisfied in relation to any such Loan Utilisation.
- (c) The Facilities Agent must promptly notify each Lender of the details of the requested Loan Utilisation (including the amount, currency and Base Currency Amount) and the amount of each Lender's share in that Loan Utilisation, in each case by the Specified Time.
- (d) The amount of each Lender's share in:
- (i) each Loan Utilisation under Tranche A will be equal to the proportion which its Available Tranche A Commitment bears to the Available Tranche A Facility immediately prior to making the Loan Utilisation;
  - (ii) each Loan Utilisation under Tranche B will be equal to the proportion which its Available Tranche B Commitment bears to the Available Tranche B Facility immediately prior to making the Loan Utilisation;
  - (iii) each Loan Utilisation under Tranche C will be equal to the proportion which its Available Tranche C Commitment bears to the Available Tranche C Facility immediately prior to making the Loan Utilisation; and
  - (iv) each Loan Utilisation under Tranche D will be equal to the proportion which its Available Tranche D Commitment bears to the Available Tranche D Facility immediately prior to making the Loan Utilisation.

- (e) Each Original Lender represents (and each other Lender will represent, upon becoming party as a Lender in accordance with Clause 29 (*Changes to the Lenders*)) that it is a “professional market party” (*professionele marktpartij*), as that term is used in the Netherlands Financial Supervision Act (*wet op het financieel toezicht*).
- (f) If the conditions set out in this Agreement have been satisfied or waived and subject to Clause 12(g) (*Repayment*), each Lender must make its share in each Loan Utilisation available to the Facilities Agent for the relevant Borrower through its Facility Office on the proposed Utilisation Date.
- (g) If, on the proposed Utilisation Date, the Facilities Agent is satisfied that all conditions precedent have been satisfied or waived it shall pay the proceeds of each Loan Utilisation received pursuant to paragraph (f) above in accordance with the payment directions set out in the relevant Loan Utilisation Request (or, if relevant, in accordance with Clause 7.1(b) or Clause 9.3(b)).

## **6. UTILISATION - BONDS**

### **6.1 General**

In determining the amount of the Available Bond Facility for the purposes of this Agreement, the Lender’s Available Tranche D Commitment will be calculated ignoring any cash cover provided for outstanding Bonds.

### **6.2 Tranche D**

- (a) A Bond Utilisation may only be made under Tranche D.
- (b) A Borrower (or the Company or Carnival plc on behalf of any Borrower not incorporated in Italy) may specify (i) that either one Tranche D Lender shall provide a Bond or more than one Tranche D Lender shall provide Bonds to the same beneficiary, and (ii) the amount of the Bond to be issued by each such Tranche D Lender (subject to Clause (ii)), and such Tranche D Lender(s) shall issue a Bond in the amount requested by that Borrower. The Borrower shall deliver a Bond Utilisation Request to each such Tranche D Lender in accordance with Clause 6.3 (*Delivery of a Bond Utilisation Request*).

### **6.3 Delivery of a Bond Utilisation Request**

A Bond Borrower may request a Bond to be issued by delivery to the relevant Tranche D Lender (with a copy to the Facilities Agent) of a duly completed Bond Utilisation Request not later than the Specified Time (unless a shorter period is agreed by the relevant Tranche D Lender).

### **6.4 Completion of a Bond Utilisation Request**

Each Bond Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

- (a) it specifies the Account Party and the relevant Tranche D Lender is not prevented by reason of legal or regulatory restrictions imposed upon it from issuing a Bond to the request of such Account Party;
- (b) it specifies the Tranche D Lender;
- (c) it specifies the amount of the Bond the Tranche D Lender is to issue;

- (d) it specifies the identity of the beneficiary of the Bond and the relevant Tranche D Lender is not prevented by reason of legal or regulatory restrictions imposed upon it from issuing a Bond in favour of that beneficiary;
- (e) the proposed Utilisation Date is a Business Day within the Availability Period;
- (f) the currency and amount of the Bond comply with Clause 6.5 (*Currency and amount*);
- (g) the form of each Bond is attached and it complies with Clause 6.6 (*Form and Type of Bond*);
- (h) the Expiry Date of the Bond falls on or before the Termination Date; and
- (i) the delivery instructions for the Bond are specified.

#### **6.5 Currency and amount**

- (a) The currency specified in a Bond Utilisation Request given under Clause 6.1 must be the Base Currency for Tranche D or an Optional Currency.
- (b) The amount of the proposed Bond must be:
  - (i) an amount whose Base Currency Amount for Tranche D is not more than the lesser of the Available Tranche D Facility and the Available Bond Facility; and
  - (ii) not more than the relevant Tranche D Lender's Available Tranche D Commitment.

#### **6.6 Form and Type of Bond**

The form and type of instrument of the proposed Bond must be in the form and of such a type of instrument as requested by a Bond Borrower (to the extent required by the relevant beneficiary) and approved by the relevant Tranche D Lender (such approval not to be unreasonably withheld, delayed or conditioned) prior to the date of the Bond Utilisation Request in respect of that Bond.

#### **6.7 Issue of Bonds**

- (a) If the conditions set out in Clause 6.4 have been met, the relevant Tranche D Lender shall issue the Bond on the proposed Utilisation Date.
- (b) The relevant Tranche D Lender will only be obliged to comply with paragraph (a) above if on the date of the Bond Utilisation Request or, as the case may be, Renewal Request and on the proposed Utilisation Date:
  - (i) in the case of a Bond renewed in accordance with Clause 6.8 (*Renewal of a Bond*), no Event of Default is outstanding or would result from the proposed Bond Utilisation and, in the case of any other Bond Utilisation, no Default is outstanding or would result from the proposed Bond Utilisation; and
  - (ii) the Repeating Representations to be made by each Obligor are true in all material respects.
- (c) The Facilities Agent shall determine the Base Currency Amount of each Bond which is to be issued in an Optional Currency and shall notify the relevant Tranche D Lender of the details of

the requested Bond and (where more than one Tranche D Lender is to provide the Bond) its participation in that Bond by the Specified Time.

## **6.8 Renewal of a Bond**

- (a) A Bond Borrower may request any Bond issued on its behalf be renewed by delivery to the Tranche D Lender (with a copy to the Facilities Agent) of a Renewal Request by the Specified Time.
- (b) The Finance Parties shall treat any Renewal Request in the same way as a Bond Utilisation Request except that the condition set out in Clauses 6.4(a), 6.4(b) and 6.4(g) (*Completion of a Bond Utilisation Request*) shall not apply.
- (c) The terms of each renewed Bond shall be the same as those of the relevant Bond immediately prior to its renewal, except that:
  - (i) its amount may be less than the amount of the Bond immediately prior to its renewal; and
  - (ii) its Term shall start on the date which was the Expiry Date of the Bond immediately prior to its renewal, and shall end on the proposed Expiry Date specified in the Renewal Request which shall fall on or before the Termination Date.
- (d) If the conditions set out in this Clause 6.8 have been met, the relevant Tranche D Lender shall amend and re-issue any Bond pursuant to a Renewal Request.

## **6.9 Revaluation of Bonds**

- (a) If any outstanding Bond is denominated in an Optional Currency, the Facilities Agent shall on each Test Date - Bonds recalculate the Base Currency Amount for Tranche D of that Bond by notionally converting into US Dollars the outstanding amount of that Bond on the basis of the Facilities Agent's Spot Rate of Exchange on the date of calculation. The Facilities Agent shall notify the relevant Tranche D Lender and the Company of such Base Currency Amount.
- (b) If on any Test Date – Bonds (i) the Test Total – Bonds of any Tranche D Lender exceeds (ii) that Tranche D Lender's Tranche D Commitment, each of the Bond Borrowers will, if requested by that Tranche D Lender within three Business Days of the Test Date – Bonds, ensure that within three Business Days of receipt of such request either (at the discretion of the Bond Borrowers):
  - (i) sufficient Bonds are cancelled so that the Test Total – Bonds of that Tranche D Lender does not exceed its Tranche D Commitment; and/or
  - (ii) that Tranche D Lender receives cash cover in US Dollars which when aggregated with all other amounts then held by it (or any of its Affiliates) as cash cover under this Agreement, will result in that Tranche D Lender (or any of its Affiliates) holding cash cover in an amount not less than the amount by which the Test Total – Bonds of that Tranche D Lender exceeds its Tranche D Commitment.
- (c) If on any Test Date - Bonds (i) any Tranche D Lender's Tranche D Commitment exceed (ii) the Test Total – Bonds of that Tranche D Lender, that Tranche D Lender shall to the extent that it (or any of its Affiliates) holds cash cover as a result of the operation of paragraph (b)(ii) repay to the Bond Borrowers (or other relevant Obligors) an amount equal to the lesser of the amount of such excess and the amount of such cash cover held by it (or any of its Affiliates).

- (d) All cash cover held by any Tranche D Lender under this Clause 6.9 shall be repaid to the Bond Borrowers (or other relevant Obligors) on the Expiry Date of any Bond if upon that expiry no amount is outstanding under such Bond or any other Bond.

## 7. BONDS

### 7.1 Immediately payable

- (a) If a claim is made under a Bond, the Bond Borrower which requested that Bond shall pay to the Facilities Agent for the account of the relevant Tranche D Lender(s) the amount of that claim promptly and in any event within three Business Days of demand.
- (b) If the relevant Bond Borrower does not repay such amount in full within three Business Days of demand by the relevant Tranche D Lender(s):
- (i) subject to Subclause (iv) below, the Bond Borrower will on the immediately following Business Day be deemed to have delivered a Loan Utilisation Request under Tranche D for a Loan Utilisation in an amount equal to, and in the same currency as, the amount demanded under paragraph (a) above with an Interest Period of two weeks and a Utilisation Date of the Business Day following the deemed date of the Loan Utilisation Request;
  - (ii) the amount of each Lender's share in the Loan Utilisation shall be determined in accordance with Clause 5.4;
  - (iii) the Facilities Agent will pay to the relevant Tranche D Lender(s) which issued the Bond the amount deemed requested by the Bond Borrower under paragraph (i) above in full satisfaction of the Bond Borrower's obligations under paragraph (a) above and a pro tanto discharge of the Bond Borrower's obligations under Clause 1.2(a); and
  - (iv) in any case where the Bond Borrower is not permitted under this Agreement to utilise Tranche D by way of Loan, the Loan Utilisation shall be deemed requested under Tranche C (or another Tranche under which it is permitted to utilise Loans), provided that if the amount of the Utilisation would exceed the Available Tranche C Facility (or other relevant Available Commitment) then the amount of such excess shall constitute a Loan Utilisation by Carnival plc under Tranche D (and then Tranche A, then Tranche B to the extent that Loan Utilisation under Tranche D exceeds the Available Tranche D Facility) in each case with an Interest Period of two weeks.

### 7.2 Claims under a Bond

- (a) The Bond Borrower irrevocably and unconditionally authorises the relevant Tranche D Lender to pay any claim made or purported to be made under a Bond requested by it and which appears on its face to be in order (a *claim*).
- (b) The relevant Tranche D Lender shall examine the claim made under any Bond in accordance with the criteria set out in the Rules by which that Bond is stated to be governed and accordingly the responsibility of the relevant Tranche D Lender shall be limited to ascertaining that the documents constituting the claim appear on their face to be in accordance with the relevant Bond, properly completed and in compliance with the requirements of this Agreement and, subject to the terms of the Bond, the relevant Rules.
- (c) Each Bond Borrower acknowledges that the relevant Tranche D Lender:



- (i) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim other than set out in paragraph (b); and
  - (ii) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.
- (d) Without prejudice to the limits on the liability of the Borrower under Clause 7.3(a) or against any Tranche D Lender at law, the obligations of a Bond Borrower under this Clause 7 will not be affected by:
- (i) the sufficiency, accuracy or genuineness of any claim or any other document; or
  - (ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document.

### **7.3 Indemnities**

- (a) Each Bond Borrower shall immediately on demand indemnify the relevant Tranche D Lender against any cost, loss or liability incurred by that Lender (otherwise than by reason of that Tranche D Lender's breach of this Agreement, gross negligence or wilful misconduct) as a direct consequence of, or in the performance of its obligations or the exercise of its rights under, any Bond requested by that Bond Borrower.
- (b) The obligations of each Borrower under this Clause are continuing obligations and will extend to the ultimate balance of sums payable by that Borrower in respect of any Bond, regardless of any intermediate payment or discharge in whole or in part.
- (c) The obligations of any Borrower under this Clause will not be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause (without limitation and whether or not known to it or any other person) including:
  - (i) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Bond or other person;
  - (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement;
  - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor, any beneficiary under a Bond or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
  - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Bond or any other person;
  - (v) any amendment (however fundamental) or replacement of a Finance Document, any Bond or any other document or security;
  - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Bond or any other document or security; or

- (vii) any insolvency or similar proceedings.

#### **7.4 Rights of contribution**

No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this Clause 7.

### **8. UTILISATION - SWINGLINE LOAN**

#### **8.1 General**

- (a) The following provisions do not apply to Swingline Loans:
  - (i) Clause 5 (*Utilisation*);
  - (ii) Clause 11 (*Optional currencies*);
  - (iii) Clause 14 (*Interest*) as it applies to the calculation of interest on a Loan Utilisation (other than in respect of any Separate Loan) but not default interest on an overdue amount;
  - (iv) Clause 15 (*Interest Periods*); and
  - (v) in respect of Swingline Loans under Tranche A, Clause 16 (*Changes to the calculation of interest*).

#### **8.2 Delivery of a Swingline Loan Utilisation Request**

- (a) A Borrower may utilise the Swingline Facilities by delivery to the Facilities Agent of a duly completed Swingline Loan Utilisation Request not later than the Specified Time (unless a shorter period is agreed by the Facilities Agent).
- (b) Each Swingline Loan Utilisation Request must be sent to the Facilities Agent to:
  - (i) the address in Dallas, Texas notified by the Facilities Agent for this purpose (in the case of Tranche A);
  - (ii) the address in London notified by the Facilities Agent for this purpose (in the case of Tranche B); or
  - (iii) the address in London notified by the Facilities Agent for this purpose (in the case of Tranche C),

in each case with a copy to its address referred to in Clause 36 (*Notices*).

#### **8.3 Completion of a Swingline Loan Utilisation Request**

- (a) Each Swingline Loan Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
  - (i) it identifies the Borrower;
  - (ii) it specifies that it is for a Swingline Loan;
  - (iii) the proposed Utilisation Date is a Business Day within the Availability Period;

- (iv) it identifies the relevant Tranche;
- (v) the currency and amount of the Swingline Loan comply with Clause 8.4 (*Currency and amount*); and
- (vi) the proposed Interest Period:
  - (A) does not overrun the Termination Date;
  - (B) is a period of not more than five Business Days; and
  - (C) ends on a Business Day.

(b) Only one Swingline Loan may be requested in each Swingline Loan Utilisation Request.

#### **8.4 Currency and amount**

- (a) The currency specified in a Swingline Loan Utilisation Request given under Clause 8.3 must be the Base Currency for the Tranche requested.
- (b) The amount of the proposed Swingline Loan must be in respect of:
  - (i) Tranche A, a minimum of US\$10,000,000 or, if less, the Available Swingline Tranche A Facility and not more than the lesser of the Available Swingline Tranche A Facility and the Available Tranche A Facility;
  - (ii) Tranche B, a minimum of £10,000,000 or, if less, the Available Swingline Tranche B Facility and not more than the lesser of the Available Swingline Tranche B Facility and the Available Tranche B Facility; or
  - (iii) Tranche C, a minimum of €10,000,000 or, if less, the Available Swingline Tranche C Facility and not more than the lesser of the Available Swingline Tranche C Facility and the Available Tranche C Facility.

#### **8.5 Swingline Lenders' participation**

- (a) If the conditions set out in this Agreement have been met, each Swingline Lender shall make its participation in each Swingline Loan available through its Facility Office in the United States, in the case of Tranche A, London, in the case of Tranche B, and London or Milan, in the case of Tranche C, or to the extent that lending out of such Facility Office would result in payments made to that Swingline Lender from the relevant Borrower being subject to a Tax Deduction, that or such other Facility Office as that Swingline Lender may nominate which would (at the date of nomination) allow that Swingline Lender to receive payments from the relevant Borrower without Tax Deduction.
- (b) The Swingline Lenders will only be obliged to comply with paragraph (a) above if on the date of the Swingline Loan Utilisation Request and on the proposed Utilisation Date:
  - (i) no Default is outstanding or would result from the proposed Swingline Loan; and
  - (ii) the Repeating Representations to be made by each Obligor are true in all material respects.
- (c) The amount of each Swingline Lender's participation in:

- (i) each Swingline Loan under Tranche A will be equal to the proportion which its Available Swingline Tranche A Commitment bears to the Available Swingline Tranche A Facility immediately prior to making the Swingline Loan;
- (ii) each Swingline Loan under Tranche B will be equal to the proportion which its Available Swingline Tranche B Commitment bears to the Available Swingline Tranche B Facility immediately prior to making the Swingline Loan; and
- (iii) each Swingline Loan under Tranche C will be equal to the proportion which its Available Swingline Tranche C Commitment bears to the Available Swingline Tranche C Facility immediately prior to making the Swingline Loan,

in each case, adjusted to take account of any limit applying under Clause 8.6 (*Relationship with the Facilities*).

- (d) The Facilities Agent shall notify each Lender for a particular Tranche of the amount of each Swingline Loan under that Tranche, and in addition shall notify each Swingline Lender under that Tranche of the amount of its participation in that Swingline Loan, in each case by the Specified Time.

## **8.6 Relationship with the Facilities**

- (a) This Clause applies when a Swingline Loan is outstanding or is to be borrowed following the issue of a Swingline Loan Utilisation Request.
- (b) The Facilities (save for Tranche D) may be used by way of Swingline Loans. The Swingline Facilities are not independent of Tranche A, Tranche B and Tranche C.
- (c) Notwithstanding any other term of this Agreement a Lender is only obliged to participate in:
  - (i) a Loan under Tranche A to the extent that it would not result in the Base Currency Amount of its participation and that of a Lender which is its Affiliate in Loans under Tranche A exceeding its Overall Tranche A Commitment;
  - (ii) a Loan under Tranche B to the extent that it would not result in the Base Currency Amount of its participation and that of a Lender which is its Affiliate in Loans under Tranche B exceeding its Overall Tranche B Commitment; and
  - (iii) a Loan under Tranche C to the extent that it would not result in the Base Currency Amount of its participation and that of a Lender which is its Affiliate in Loans under Tranche C exceeding its Overall Tranche C Commitment.
- (d) Where, but for the operation of paragraph (c) above, the Base Currency Amount of a Lender's participation in Loans and that of a Lender which is its Affiliate:
  - (i) under Tranche A would have exceeded its Overall Tranche A Commitment, the excess will be apportioned among the other Lenders participating in the relevant Loan under Tranche A pro rata according to their Tranche A Commitments;
  - (ii) under Tranche B would have exceeded its Overall Tranche B Commitment, the excess will be apportioned among the other Lenders participating in the relevant Loan under Tranche B pro rata according to their Tranche B Commitments; and

- (iii) under Tranche C would have exceeded its Overall Tranche C Commitment, the excess will be apportioned among the other Lenders participating in the relevant Loan under Tranche C pro rata according to their Tranche C Commitments.

The calculations under this paragraph (d) will be applied as often as necessary until the Loan is apportioned among the relevant Lenders in a manner consistent with paragraph (c) above.

## **9. SWINGLINE LOANS**

### **9.1 Swingline Facilities**

Subject to the terms of this Agreement:

- (a) the Swingline Lenders under Tranche A make available to the Borrowers a US Dollar swingline loan facility in an aggregate amount equal to the Total Swingline Tranche A Commitments;
- (b) the Swingline Lenders under Tranche B make available to the Borrowers a Sterling swingline loan facility in an aggregate amount equal to the Total Swingline Tranche B Commitments; and
- (c) the Swingline Lenders under Tranche C make available to the Borrowers a euro swingline loan facility in an aggregate amount equal to the Total Swingline Tranche C Commitments.

### **9.2 Purpose**

- (a) Each Borrower shall apply all amounts borrowed by it under the Swingline Facilities towards general liquidity and/or working capital purposes of the Carnival Corporation & plc Group including refinancing any note, instrument, facility or borrowing maturing under a CP Programme.
- (b) A Swingline Loan may not be applied in repayment or prepayment of another Swingline Loan.

### **9.3 Repayment**

- (a) Subject to Clause (b) (*Repayment*), each Borrower that has drawn a Swingline Loan shall repay that Swingline Loan on the last day of its Interest Period.
- (b) If the Borrower does not comply with paragraph (a):
  - (i) the Borrower will be deemed to have delivered a Loan Utilisation Request (without the need to satisfy any conditions precedent as otherwise required under this Agreement) under the relevant Tranche to which the Swingline Loan relates for a Loan Utilisation in an amount equal to, and in the same currency as, the amount payable under paragraph (a) with an Interest Period of two weeks;
  - (ii) the amount of each Lender's share in the Loan Utilisation shall be determined in accordance with Clause 5.4; and
  - (iii) the Facilities Agent will pay to the relevant Swingline Lenders the amount requested by the Borrower under paragraph (i) above in full satisfaction of its obligations under paragraph (a).

## 9.4 Indemnities

- (a) Where a Swingline Loan cannot by reason of applicable law be refinanced with a Loan Utilisation under Clause 9.3(b):
- (i) each Lender under Tranche A shall (according to its Tranche A Indemnified Proportion) immediately on demand indemnify each Swingline Lender under Tranche A against any cost, loss or liability incurred by that Swingline Lender (otherwise than by reason of that Swingline Lender's gross negligence or wilful misconduct) in acting as a Swingline Lender of a Swingline Loan under Tranche A (unless that Swingline Lender has been reimbursed by an Obligor pursuant to a Finance Document);
  - (ii) each Lender under Tranche B shall (according to its Tranche B Indemnified Proportion) immediately on demand indemnify each Swingline Lender under Tranche B against any cost, loss or liability incurred by that Swingline Lender (otherwise than by reason of that Swingline Lender's gross negligence or wilful misconduct) in acting as a Swingline Lender of a Swingline Loan under Tranche B (unless that Swingline Lender has been reimbursed by an Obligor pursuant to a Finance Document); and
  - (iii) each Lender under Tranche C shall (according to its Tranche C Indemnified Proportion) immediately on demand indemnify each Swingline Lender under Tranche C against any cost, loss or liability incurred by that Swingline Lender (otherwise than by reason of that Swingline Lender's gross negligence or wilful misconduct) in acting as a Swingline Lender of a Swingline Loan under Tranche C (unless that Swingline Lender has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) The relevant Borrower shall immediately on demand reimburse any Lender for any payment it makes to a Swingline Lender under this Clause 9.4 (*Indemnities*) in respect of that Swingline Loan.
- (c) The obligations of each Lender under this Clause are continuing obligations and will extend to the ultimate balance of sums payable by that Lender in respect of any Swingline Loan, regardless of any intermediate payment or discharge in whole or in part.
- (d) The obligations of any Lender under this Clause will not be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause (without limitation and whether or not known to it or any other person) including:
- (i) any time, waiver or consent granted to, or composition with, any Obligor or other person;
  - (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement;
  - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
  - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

- (v) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;
  - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
  - (vii) any insolvency or similar proceedings.
- (e) No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this Clause 9.4.

### **9.5 Voluntary Prepayment of Swingline Loans**

- (a) The Borrower to which a Swingline Loan has been made may prepay at any time the whole of that Swingline Loan.
- (b) Any prepayment shall be made with accrued interest and without premium or penalty.
- (c) Unless a contrary indication appears in this Agreement, any part of the Swingline Facilities which is prepaid may be reborrowed in accordance with the terms of this Agreement.

### **9.6 Interest**

- (a) The rate of interest on each Swingline Loan for any day during its Interest Period is:
  - (i) for Swingline Loans under Tranche A, the higher of:
    - (A) the prime commercial lending rate in US Dollars announced by the Facilities Agent at the Specified Time and in force on that day; and
    - (B) 0.50 per cent. per annum over the rate per annum determined by the Facilities Agent to be the Federal Funds Rate (as published by the Federal Reserve Bank of New York) for that day;
  - (ii) for Swingline Loans under Tranche B the percentage rate per annum equal to the aggregate of:
    - (A) the applicable Margin; and
    - (B) LIBOR;
  - (iii) for Swingline Loans under Tranche C, the percentage rate per annum equal to the aggregate of:
    - (A) the applicable Margin; and
    - (B) the arithmetic mean of the rates (rounded up to four decimal places) as supplied to the Facilities Agent at its request by the Reference Banks to leading banks in the European Interbank Market as of 11:00am (Brussels time) on the Utilisation Date for that Swingline Loan for the offering of deposits in euro for a period comparable to the Interest Period for the relevant Swingline Loan and for settlement on that day.

(b) The Facilities Agent shall promptly notify the Swingline Lenders and the relevant Borrower of the determination of the rate of interest under paragraph (a) above.

(c) Each Borrower shall pay accrued interest on each Swingline Loan made to it on the last day of its Interest Period.

#### **9.7 Interest Period**

(a) Each Swingline Loan has one Interest Period only.

(b) The Interest Period for a Swingline Loan must be selected in the relevant Swingline Loan Utilisation Request.

#### **9.8 Facilities Agent**

(a) The Facilities Agent may perform its duties in respect of the Swingline Facilities through an Affiliate acting as its agent.

(b) Notwithstanding any other term of this Agreement and without limiting the liability of any Obligor under the Finance Documents, each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) pay to or indemnify the Facilities Agent, within three Business Days of demand, for or against any cost, loss or liability incurred by any Affiliate of the Facilities Agent (other than by reason of such Affiliate's gross negligence or wilful misconduct) in acting as Facilities Agent for the Swingline Facilities under the Finance Documents (unless such Affiliate has been reimbursed by an Obligor pursuant to a Finance Document).

#### **9.9 Conditions of assignment or transfer**

(a) Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Overall Tranche A Commitment is not less than:

(i) its Swingline Tranche A Commitment; or

(ii) if it does not have a Swingline Tranche A Commitment, the Swingline Tranche A Commitment of a Lender which is its Affiliate.

(b) Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Overall Tranche B Commitment is not less than:

(i) its Swingline Tranche B Commitment; or

(ii) if it does not have a Swingline Tranche B Commitment, the Swingline Tranche B Commitment of a Lender which is its Affiliate.

(c) Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Overall Tranche C Commitment is not less than:

(i) its Swingline Tranche C Commitment; or

(ii) if it does not have a Swingline Tranche C Commitment, the Swingline Tranche C Commitment of a Lender which is its Affiliate.



## 10. EXTENSION OPTION

### 10.1 Interpretation

In this Clause 10:

**Initial Request Date** means the date falling one year after the Amendment Effective Date.

**Original Termination Date** means the date falling five years after the Amendment Effective Date.

**Relevant Extension Date** means:

- (i) for an Initial Extension Request, the Initial Request Date; and
- (ii) for a Second Extension Request, the Second Request Date.

**Relevant Portion** means the part of a Facility to which an Extension Request relates.

**Second Request Date** means the date falling two years after the Amendment Effective Date.

### 10.2 Extension of Termination Date

- (a) The Company (and any Obligor incorporated in Italy) may by delivering an Extension Request to the Facilities Agent (an **Initial Extension Request**) not more than 90 days and not less than 45 days before the Initial Request Date, request that the Termination Date for all or part of any of the Facilities be extended to the date 12 months after the Original Termination Date (the **Extended Termination Date**).
- (b) Without prejudice to paragraph (a) above, the Company (and any Obligor incorporated in Italy) may by delivering an Extension Request to the Facilities Agent (a **Second Extension Request**) not more than 90 days and not less than 45 days before the Second Request Date, request that the Termination Date for all or part of any Facility:
  - (i) with respect to Lenders who have agreed to the Initial Extension Request, be extended to the date 12 months after the Extended Termination Date; and/or
  - (ii) if no Initial Extension Request has been made, or with respect to Lenders who refused the Initial Extension Request:
    - (A) be extended to the date 12 months after the Original Termination Date; or
    - (B) be extended to the date 24 months after the Original Termination Date,as selected by the Company (and any Obligor incorporated in Italy) in the notice to the Facilities Agent.
- (c) The Facilities Agent must promptly notify the Lenders of any Extension Request.
- (d) Each Lender shall, in its sole discretion, notify the Facilities Agent on or prior to the date falling 20 days prior to the Relevant Extension Date (the **Notification Date**) in writing of:
  - (i) its acceptance of the Extension Request; or

- (ii) its rejection of the Extension Request.
- (e) The Facilities Agent must (as soon as practicable and in any event within 2 days of the Notification Date) notify the Borrower and the Lenders which have agreed to the extension, identifying in that notification which Lenders (if any) have not agreed to the Extension Request.
- (f) Each Lender that agrees to an Extension Request by the Relevant Extension Date, will extend the Relevant Portion of its Commitment(s) and (if applicable) Swingline Commitments to the date 12 months or 24 months, as applicable, after the Original Termination Date and the Termination Date with respect to the Relevant Portion of the Commitment(s) of that Lender will be extended accordingly.
- (g) If any Lender fails to reply to an Extension Request on or before the date falling 20 days before the Relevant Extension Date it will be deemed to have refused that Extension Request and its Commitments and the Termination Date applicable to that Lender will not be extended.
- (h) For the avoidance of doubt, no Finance Party is under any obligation to agree to an extension requested in paragraph (a) or (b) above. Nothing in this Clause 10 shall restrict the Company's rights under Clause 13.6 (*Involuntary prepayment and cancellation and replacement of Lender*).
- (i) If an Extension Request relates to part of the Facilities, it must be in respect of a rateable portion of each Lender's Commitment(s) and (if applicable) each Lender's Swingline Commitment(s).

## **11. OPTIONAL CURRENCIES**

### **11.1 Selection of currency**

A Borrower (or the Company on behalf of a Borrower) shall select the currency of a Loan Utilisation in a Loan Utilisation Request and a Bond Utilisation in a Bond Utilisation Request.

### **11.2 Unavailability of a currency**

- (a) If before the Specified Time on any Quotation Day:
  - (i) a Lender notifies the Facilities Agent that the Optional Currency requested is not readily available to it in the amount required;  
or
  - (ii) a Lender notifies the Facilities Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Facilities Agent will give notice to the Company and the relevant Borrower promptly and in any event no later than the Specified Time on that day.

- (b) Any Lender that gives notice pursuant to paragraph (a) above will be required to participate in the Loan in the Base Currency for the Tranche requested (in an amount equal to that Lender's proportion of the Base Currency Amount for that Tranche or, in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount for that Tranche of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency for that Tranche during that Interest Period.
- (c) Any part of a Loan treated as a separate Loan under this Clause 11.2 will not be taken into account for the purposes of any limit on the number of Loans outstanding at any one time.

- (d) A Loan will still be treated as a Rollover Loan if it is not denominated in the same currency as the maturing Loan by reason of the operation of this Clause 11.2.

### 11.3 Conditions relating to Optional Currencies

- (a) A currency will constitute an Optional Currency in relation to any Utilisation if it is not the relevant Base Currency and if either:
- (i) it is readily available and freely convertible into the Base Currency for the relevant Tranche readily available in the amount requested in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Utilisation and has been approved by the Facilities Agent (acting on the instructions of all the Lenders on or prior to receipt by the Facilities Agent of the relevant Utilisation Request for that Loan); or
  - (ii) it is US Dollars, euro or Sterling.
- (b) If the Facilities Agent has received a written request from a Borrower for a currency to be approved under paragraph (a) above, the Facilities Agent will confirm to that Borrower by the Specified Time:
- (i) whether or not the Lenders have granted their approval; and
  - (ii) if approval has been granted, the minimum amount (and, if required, integral multiples) for any subsequent Utilisation in that currency.

## 12. REPAYMENT

- (a) Subject to paragraph (b) below, each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.
- (b) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender (and any Affiliate of a Defaulting Lender that is a Lender) in the Loans then outstanding will be automatically extended to the Termination Date in relation to the relevant Tranche and will be treated as separate Loans (the **Separate Loans**) denominated in the currency in which the relevant participations are outstanding.
- (c) A Borrower to whom a Separate Loan is outstanding may prepay that Loan by giving three Business Days' prior notice to the Facilities Agent. The Facilities Agent will forward a copy of a prepayment notice received in accordance with this paragraph (c) to the Defaulting Lender concerned as soon as practicable on receipt.
- (d) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Borrower by the time and date specified by the Facilities Agent (acting reasonably) and will be payable by that Borrower to the Defaulting Lender on the last day of each Interest Period of that Loan. Notwithstanding Clause 8.1 (*General*) and Clause 9.6 (*Interest*), the rate of interest in respect of any Swingline Loan that becomes a Separate Loan in accordance with this Clause 12 shall be calculated in accordance with Clause 14.1 (*Calculation of interest*) with effect from the end of the Interest Period during which such Swingline Loan becomes a Separate Loan.
- (e) The terms of this Agreement relating to Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (b) to (d) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

- (f) Subject to the other terms of this Agreement, any amounts repaid under paragraph (a) above may be re-borrowed.
- (g) If, pursuant to the terms of this Agreement, the Lenders are obliged to make a Rollover Loan, the maturing loan referred to in the definition of Rollover Loan shall be repaid and the Rollover Loan shall be made without any requirement for an actual exchange of payments (other than to the extent that the amount of the maturing loan is more than the Rollover Loan), but without prejudice to the relevant Borrower's obligation to pay interest on the maturing loan.
- (h) Notwithstanding the provisions of Clause 7, each Bond Borrower shall ensure that each Bond is repaid in full on or before the Termination Date.

### 13. PREPAYMENT AND CANCELLATION

#### 13.1 Mandatory prepayment - illegality

- (a) A Lender must notify the Company and the Facilities Agent promptly if it becomes aware that:
  - (i) it will become; or
  - (ii) it is,  
  
unlawful in any applicable jurisdiction for that Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in any Utilisation.
- (b) If a Tranche D Lender becomes aware of any unlawfulness that may affect its ability to issue a particular Bond, that Lender shall promptly notify the Company and the Facilities Agent of that event.
- (c) After notification under paragraph (a)(ii) above:
  - (i) each Borrower must repay or prepay the share of that Lender in each Utilisation on the date specified in paragraph (d) below; and
  - (ii) the Tranche A Commitment, the Tranche B Commitment, the Tranche C Commitment and the Tranche D Commitment of that Lender will be immediately cancelled.
- (d) The date for repayment or prepayment of a Lender's share in an outstanding Utilisation will be:
  - (i) the last day of the current Interest Period for that Utilisation; or
  - (ii) if earlier, the date specified by the Lender in the notification under paragraph (a)(ii) above and which must not be earlier than the last day of any applicable grace period allowed by law.

#### 13.2 Mandatory prepayment - change of ownership

- (a) For the purposes of this Clause:

**Arison Party** means each and all of Marilyn B. Arison, Micky Meir Arison, Shari Arison, Michael Arison or their spouses, children or lineal descendants of Marilyn B. Arison, Micky Meir Arison, Shari Arison, Michael Arison or their spouses, any trust established for the benefit of any Arison family member mentioned herein, or any person directly or indirectly, controlling, controlled by or under common control with any Arison family member mentioned herein or any trust established for the benefit of any such

Arison family member or any charitable trust or non-profit entity established by any of the aforesaid persons or trusts;

a **change of ownership** occurs if any person or group of persons (other than any Arison Party or any two or more Arison Parties) gains ownership of the Company or Carnival plc provided that a change of ownership shall be deemed not to have occurred if:

- (a) either:
  - (i) the Company directly or indirectly gains ownership of Carnival plc; or
  - (ii) Carnival plc directly or indirectly gains ownership of the Company; and
- (b) such consequential amendments are made to this Agreement (with the consent of the Company and the Facilities Agent which consent shall not be unreasonably withheld, delayed or conditioned) as are required to reflect the relevant change and to put the Parties in an equivalent position as regards the companies in the Carnival Corporation & plc Group as would have applied had the relevant change not occurred; and
- (c) the Facilities Agent receives a legal opinion from lawyers approved by it (acting reasonably) and in form and substance satisfactory to it (acting reasonably) confirming that (i) the monetary obligations under the Finance Documents of the Company will continue to be guaranteed by Carnival plc under the relevant Deed of Guarantee and/or (ii) the monetary obligations under the Finance Documents of Carnival plc will continue to be guaranteed by the Company under the relevant Deed of Guarantee, in each case, after the relevant change referred to in paragraph (a) above.

**ownership** means the ownership of more than fifty per cent. (50%) of the voting share capital (or equivalent rights of ownership) of the Company or of Carnival plc.

- (b) The Company must promptly notify the Facilities Agent if it becomes aware of any change of ownership.
- (c) If a change of ownership occurs, the Facilities Agent and the Company shall enter into discussions to determine if there is a basis acceptable to all the Lenders and the Company for continuing the Facilities. If such agreement is reached within 90 days of the change of ownership, the Parties will promptly implement the agreement. If such agreement is not reached within 90 days of the change of ownership the Facilities Agent must, by notice to the Company:
  - (i) cancel the Total Tranche A Commitments, the Total Tranche B Commitments, the Total Tranche C Commitments and the Total Tranche D Commitments, as the case may be; and/or
  - (ii) declare each outstanding Utilisation, together with accrued interest and all other amounts accrued under the Finance Documents, to be immediately due and payable.

Any such notice will take effect in accordance with its terms.

### 13.3 Voluntary Prepayment

- (a) The Company may, by giving not less than three Business Days' prior notice to the Facilities Agent, prepay (or ensure that a Borrower prepays) any Loan at any time in whole or in part.

- (b) A prepayment of part of a Loan must be:
- (i) in respect of Tranche A, in a minimum amount of US\$5,000,000 (or its equivalent in any Optional Currency);
  - (ii) in respect of Tranche B, in a minimum amount of £2,500,000 (or its equivalent in any Optional Currency);
  - (iii) in respect of Tranche C, in a minimum amount of €5,000,000 (or its equivalent in any Optional Currency); and
  - (iv) in respect of Tranche D, in a minimum amount of US\$2,000,000 (or its equivalent in any Optional Currency).

#### **13.4 Automatic cancellation**

The Tranche A Commitment, the Tranche B Commitment, the Tranche C Commitment and the Tranche D Commitment of each Lender will be automatically cancelled at the close of business on the last day of the Availability Period.

#### **13.5 Voluntary cancellation**

- (a) The Company may by notice to the Facilities Agent not later than 8:00 am on the date such cancellation is to take effect, cancel without penalty the whole or any part of the Available Tranche A Facility, the Available Tranche B Facility, the Available Tranche C Facility and/or the Available Tranche D Facility.
- (b) Partial cancellation of:
- (i) the Available Tranche A Facility must be in a minimum amount of US\$10,000,000;
  - (ii) the Available Tranche B Facility must be in a minimum amount of £10,000,000;
  - (iii) the Available Tranche C Facility must be in a minimum amount of €10,000,000; and
  - (iv) the Available Tranche D Facility must be in a minimum amount of US\$10,000,000.
- (c) Any cancellation in part will be applied against the relevant Available Tranche A Facility, the Available Tranche B Facility, the Available Tranche C Facility and the Available Tranche D Facility, as the case may be, of each Lender pro rata.

#### **13.6 Involuntary prepayment and cancellation and replacement of Lender**

- (a) If:
- (i) a Lender rejects an Extension Request under Clause 10 (*Extension Option*); or
  - (ii) an Obligor is, or will be, required to pay to a Lender a Tax Payment or an Increased Cost, while the requirement continues,
- the Company may give notice to the Facilities Agent of prepayment and/or cancellation in respect of that Lender or give notice to the Facilities Agent of its intention to replace that Lender in accordance with paragraph (d) below.

- (b) After notification of prepayment and/or cancellation under paragraph (a) above:
- (i) each Borrower must repay or prepay that Lender's share in each Utilisation under each Tranche made to it on the date specified in paragraph (c) below; and/or, as the case may be
  - (ii) the Commitment and Swingline Commitment of that Lender (or its Affiliate) will be immediately cancelled.
- (c) The date for repayment or prepayment of a Lender's share in an outstanding Utilisation will be the last day of the Interest Period for that Utilisation during which the Company has given notice of prepayment and/or cancellation under paragraph (a) above or, if earlier, the date specified by the Company in its notification.
- (d) The Company may, in the circumstances set out in paragraph (a) above, on three Business Days' prior notice to the Facilities Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank or financial institution selected by the Company which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 29 (*Changes to the Lenders*) for a purchase price in cash or other cash payment payable at the time of the transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.
- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
- (i) the Company shall have no right to replace the Facilities Agent;
  - (ii) neither the Facilities Agent nor any Lender shall have any obligation to find a replacement Lender; and
  - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents.
- (f) If any Lender (or any Affiliates which are Lenders) becomes a Defaulting Lender, the Company may, at any time whilst the Lender (or its Affiliate) continues to be a Defaulting Lender, give the Facilities Agent three Business Days' notice of cancellation of the Available Commitment or Available Swingline Commitment of that Lender (or in each case, its Affiliate).
- (g) On the notice referred to in paragraph (f) above becoming effective, the Available Commitment or Available Swingline Commitment of the Defaulting Lender (or its Affiliate) shall immediately be reduced to zero.
- (h) The Facilities Agent shall as soon as practicable after receipt of a notice referred to in paragraph (f) above, notify all the Lenders.

### **13.7 Miscellaneous provisions**

- (a) Any notice of prepayment and/or cancellation under this Agreement is irrevocable and must specify the relevant date(s) upon which the relevant cancellation is to take effect or prepayment

is to be made and the amount of that cancellation or prepayment. The Facilities Agent must notify the Lenders promptly of receipt of any such notice.

- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except for Break Costs.
- (c) Any part of the Facilities which are prepaid may be reborrowed in accordance with the terms of this Agreement.
- (d) The Majority Lenders may agree a shorter notice period for a voluntary prepayment.
- (e) No prepayment or cancellation is allowed except in accordance with the express terms of this Agreement.
- (f) Subject to Clause 2.2 (*Increase*), no amount of the Total Tranche A Commitments, Total Tranche B Commitments, Total Tranche C Commitments or Total Tranche D Commitments cancelled under this Agreement may subsequently be reinstated.
- (g) Any cancellation of a Swingline Commitment of a Swingline Lender shall reduce the relevant Swingline Commitment accordingly but shall not otherwise cancel or reduce the Commitment of the relevant Lender in respect of the Facility (or of any Affiliate of the relevant Swingline Lender) unless and to the extent otherwise provided for in this Agreement.
- (h) Any cancellation of the Commitment of a Lender that is a Swingline Lender or an Affiliate of a Swingline Lender shall not cancel or reduce any Swingline Commitment of that Lender or its Affiliate unless a Swingline Commitment of that Lender or its Affiliate would exceed the Commitment of that Lender immediately following such reduction, in which case the relevant Swingline Commitment of that Lender or its Affiliate shall be reduced by such amount as is necessary to ensure that, after the relevant cancellation, each such Swingline Commitment does not exceed the Commitment of that Lender or its Affiliate.

## **14. INTEREST**

### **14.1 Calculation of interest**

The rate of interest on each Loan (other than a Swingline Loan) for each Interest Period is the percentage rate per annum equal to the aggregate of:

- (a) the applicable Margin; and
- (b) LIBOR or, in relation to any Loan in euro, EURIBOR.

### **14.2 Payment of interest**

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period and, if the Interest Period is longer than six months, on the dates falling at six monthly intervals after the first day of that Interest Period.

### **14.3 Interest on overdue amounts**

- (a) If an Obligor fails to pay any amount payable by it under the Finance Documents, it must immediately on demand by the Facilities Agent pay interest on the overdue amount from its due date up to the date of actual payment, both before, on and after judgment.



- (b) Interest on an overdue amount is payable at a rate determined by the Facilities Agent to be one per cent. per annum above the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Facilities Agent (acting reasonably) of up to three months.
- (c) Notwithstanding paragraph (b) above, if the overdue amount consists of all or part of a Loan which became due and payable on a day which was not the last day of an Interest Period for that Loan, then:
- (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period for that Loan; and
  - (ii) the rate of interest on the overdue amount for that first Interest Period will be one per cent. per annum above the rate which would have applied if the overdue amount had not become due.

After the expiry of the first Interest Period for that overdue amount, the rate on the overdue amount will be calculated in accordance with paragraph (b) above.

- (d) Interest (if unpaid) on an overdue amount will be compounded with that overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.
- (e) The amount of interest on overdue amounts payable by an Italian Obligor under this Agreement will only be compounded in accordance with and to the extent permitted by article 1283 of the Italian Civil Code and article 120 of the Italian Banking Act (and any relevant implementing regulations), each as amended, supplemented or implemented from time to time.

#### 14.4 Notification of rates of interest

The Facilities Agent shall promptly notify the Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

#### 14.5 Margin

- (a) At the Amendment Effective Date the Margin will be 0.40 per cent. per annum. Thereafter the Margin will, subject to paragraph (b), be set in accordance with the pricing grid below and paragraph (c) below to be the percentage rate per annum specified in Column 2 as set out opposite the Carnival Credit Rating at the relevant time by Moody's and S&P specified in Column 1 below.

<b>Column 1 Carnival Credit Rating</b>	<b>Column 2 Margin % p.a.</b>
A+/A1 or higher	0.20
A/A2	0.25
A-/A3	0.30
BBB+/Baa1	0.40
BBB/Baa2	0.55
BBB-/Baa3 or lower	0.70

- (b) During any period in which there is no Carnival Credit Rating assigned by either Moody's or S&P, the Margin shall be 0.70 per cent. per annum.
- (c) If there is a different Carnival Credit Rating assigned by S&P and Moody's, the applicable Margin shall be determined by averaging the Margins for S&P and Moody's as determined in accordance with the pricing grid in paragraph (a) above.
- (d) During any period in which the Carnival Credit Rating comprises rating(s) from only one of Moody's or S&P, the Margin shall be determined in accordance with the pricing grid in paragraph (a) above for that rating only.
- (e) For the purposes of this Agreement, any reduction or increase in the Margin shall be determined on, and shall take effect from, the Business Day immediately following publication of the relevant change to the Carnival Credit Rating.
- (f) Promptly after becoming aware of the same, the Company shall inform the Facilities Agent in writing if either (i) there is any change in the Carnival Credit Rating with either Moody's or S&P which will cause a change to the Margin or (ii) if any of the circumstances contemplated by paragraphs (b) or (c) above arise.
- (g) For the purposes of this Clause 14.5, **Carnival Credit Rating** means, in respect of Moody's or S&P:
  - (i) the long term senior unsecured debt rating of the Company published by Moody's or, as the case may be, S&P; or
  - (ii) if Moody's or S&P (as the case may be) does not publish a long term senior unsecured debt rating as provided in paragraph (i) above, the long term senior unsecured debt rating of Carnival plc published by Moody's or, as the case may be, S&P.

#### **14.6 Maximum Interest Rate**

Where any interest rate payable by a Borrower incorporated in Italy determined in accordance with this Agreement, including default interest rate, exceeds in any period of three calendar months the interest rate determined pursuant to paragraph 4 of article 2 of the Italian Act (*Legge*) 7 March 1996 No. 108 for transactions of the type contemplated hereunder, such interest rate will be deemed to be equal to and shall not exceed the maximum interest rate during such period determined in accordance with the above-mentioned provisions of Italian law.

### **15. INTEREST PERIODS**

#### **15.1 Selection of Interest Periods**

- (a) A Borrower (or the Company or Carnival plc on behalf of any Borrower not incorporated in Italy) may select an Interest Period for a Loan in the Loan Utilisation Request for that Loan.
- (b) Subject to this Clause 15, a Borrower (or the Company or Carnival plc on behalf of a Borrower not incorporated in Italy) may select an Interest Period of one, three or six months or any other period agreed between the Company and the Facilities Agent (acting on the instructions of all the Lenders).

- (c) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (d) Each Interest Period for a Loan shall start on the Utilisation Date in respect of that Loan.
- (e) A Loan has one Interest Period only.

## 15.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

## 16. CHANGES TO THE CALCULATION OF INTEREST

### 16.1 Absence of quotations

Subject to Clause 16.2 (*Market disruption*), if LIBOR or, if applicable, EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

### 16.2 Market disruption

- (a) In this Agreement each of the following events is a **Market Disruption Event**:
  - (i) at or about noon on the Quotation Day for the relevant Interest Period LIBOR (or, if applicable, EURIBOR) is to be determined by reference to the Reference Banks and none or only one of the Reference Banks supplies a rate to the Facilities Agent to determine LIBOR or, if applicable, EURIBOR for the relevant currency and Interest Period; or
  - (ii) in respect of a Loan denominated in US Dollars, euro or Sterling, before close of business in London on the Quotation Day for the relevant Interest Period, the Facilities Agent receives notifications from a Lender or Lenders (whose participations in that Loan exceed 66  $\frac{2}{3}$  per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR or, if applicable, EURIBOR; or
  - (iii) in respect of a Loan denominated in any currency other than US Dollars, euro or Sterling, before close of business in London on the Quotation Day for the relevant Interest Period, the Facilities Agent receives notifications from a Lender or Lenders (whose participations in that Loan exceed 33  $\frac{1}{3}$  per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR.
- (b) The Facilities Agent must promptly notify the Company and the Lenders of a Market Disruption Event.
- (c) After notification under paragraph (b) above, the rate of interest on each Lender's share in the affected Loan for the Interest Period shall be the rate per annum which is the aggregate of:
  - (ii) the applicable Margin; and
  - (iii)

- (A) in the case of a Lender which has notified the Facilities Agent that its cost of funds is in excess of LIBOR or, if applicable, EURIBOR, in accordance with paragraphs (a)(ii) or (iii) above or where the circumstances set out in paragraph (a)(i) above apply, the rate notified to the Facilities Agent by that Lender as soon as practicable, and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its share in that Loan from whatever source it may reasonably select; or
- (B) in the case of a Lender which has not notified the Facilities Agent that its cost of funds is in excess of LIBOR or, if applicable, EURIBOR, in accordance with paragraphs (a)(ii) or (iii) above and where the circumstances set out in paragraph (a)(i) do not apply, LIBOR or if applicable, EURIBOR.

### **16.3 Alternative basis of interest or funding**

- (a) If a Market Disruption Event occurs and the Facilities Agent or the Company so requires, the Facilities Agent and the Company must enter into negotiations for a period of not more than thirty days with a view to agreeing an alternative basis for determining the rate of interest and/or funding for the affected Loan and any future Loan.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all the Parties.

### **16.4 Break Costs**

- (a) Each Borrower shall, within three Business Days of demand, pay to the Facilities Agent for the account of each Lender such Lender's Break Costs attributable to all or any part of a Loan (other than a Swingline Loan) or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender must supply to the Facilities Agent (who shall promptly deliver them to the Company and the relevant Borrower) details of the amount of any Break Costs claimed by it under this Clause 16.4.

## **17. FEES**

### **17.1 Commitment fee**

- (a) The Company shall pay to the Facilities Agent (for the account of each Lender) a commitment fee in the Base Currency of the relevant Tranche computed at the rate of 35 per cent. of the applicable Margin per annum on the daily undrawn, uncanceled amount of each Lender's Commitment.
- (b) The accrued commitment fee is payable quarterly in arrears during the Availability Period and on the last day of the Availability Period and, if the Total Tranche A Commitments, the Total Tranche B Commitments, the Total Tranche C Commitments or the Total Tranche D Commitments are cancelled in full, at the time such cancellation is effective.
- (c) No commitment fee is payable to the Facilities Agent (for the account of a Lender) on any Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

### **17.2 Arrangement fee**

The Company shall pay to the Arrangers (for the account of each Arranger) an arrangement fee in the amount and at the times agreed in a Fee Letter between the Arrangers and the Company.

### **17.3 Agency fee**

The Company shall pay to the Facilities Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter between the Facilities Agent and the Company.

### **17.4 Bookrunner fee**

The Company shall pay to the active bookrunners (as such term is used in the Commitment Letter) (for the account of each such active bookrunner) a bookrunner fee in the amount and at the times agreed in a Fee Letter between such active bookrunners and the Company.

### **17.5 Participation fee**

The Company shall pay to the Facilities Agent (for the account of each Original Lender) a participation fee in the amount and at the times agreed in a Fee Letter between the Facilities Agent and the Company.

### **17.6 Utilisation fee**

- (a) The Company shall pay to the Facilities Agent (for the account of each Lender) a utilisation fee computed at the rate of:
- (i) for each day on which the aggregate amount of the Utilisations (where each Utilisation is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange on that day) equals or is less than  $33\frac{1}{3}$  per cent. of the Total Commitments, 0.10 per cent. per annum;
  - (ii) for each day on which the aggregate amount of the Utilisations (where each Utilisation is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange on that day) exceeds  $33\frac{1}{3}$  per cent. but equals or is less than  $66\frac{2}{3}$  per cent. of the Total Commitments, 0.20 per cent. per annum; and
  - (iii) for each day on which the aggregate amount of the Utilisations (where each Utilisation is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange on that day) exceeds  $66\frac{2}{3}$  per cent. of the Total Commitments, 0.40 per cent. per annum.
- (b) Utilisation fee is payable in US Dollars on the amount of each Lender's share in the Utilisations.
- (c) Accrued utilisation fee is payable quarterly in arrear during the Availability Period and on the last day of the Availability Period and, for a Lender, on the date on which it ceases to be a Lender under this Agreement.

### **17.7 Bonding fee**

- (a) Each Bond Borrower shall pay to the Facilities Agent (for the account of each relevant Tranche D Lender) for each Bond requested by it a bonding fee in US Dollars computed at the applicable Margin on the daily outstanding amount of that Bond for the period from the issue of that Bond until and including its Expiry Date or, following a claim under such Bond, until and including the date of reimbursement of the full amount of such claim to the relevant Tranche D Lender whether pursuant to Clause 7.1(b), 7.3(a) or otherwise.

- (b) The accrued bonding fee on a Bond (if any) shall be payable quarterly in arrear starting on the date falling three months after the date of the Agreement and the dates falling quarterly thereafter.
- (c) If a Bond Borrower cash covers any part of a Bond then:
  - (i) the bonding fee payable for the account of each relevant Tranche D Lender shall continue to be payable in accordance with paragraph (a); and
  - (ii) the Bond Borrower will be entitled to withdraw the interest accrued on the cash cover to pay those fees.

## **17.8 Timing of payments**

Notwithstanding any provision to the contrary in any Finance Document, all payments to be made by an Obligor in respect of any fees referred to in Clauses 17.1, 17.4 and 17.7 are due within three Business Days of written demand to the Company by the Facilities Agent in each case served no earlier than the times agreed for payment, and attaching a statement of detailed calculations.

## **18. TAXES**

### **18.1 Application of Clauses**

- (a) Clauses 18.2 to 18.8 shall only apply in respect of payments by the following Obligor:
  - (i) Carnival plc; and
  - (ii) any Additional Borrower resident in the United Kingdom.
- (b) Clauses 18.9 to 18.10 shall only apply in respect of payments by the following Obligor:
  - (i) the Company;
  - (ii) CC U.S. Ventures, Inc.;
  - (iii) any Additional Borrower incorporated in a state within, or operating in, the U.S.; and
  - (iv) other members of the Carnival Corporation & plc Group who become an Additional Borrower as may be requested by the Company to be covered under this paragraph (b), subject to the consent of the Facilities Agent (such consent not to be unreasonably withheld, delayed or conditioned).
- (c) Clauses 18.11 to 18.16 shall only apply in respect of payments by the following Obligor:
  - (i) Costa Crociere S.p.A.; and
  - (ii) any Additional Borrower resident in Italy.
- (d) Clauses 18.17 to 18.21 shall only apply in respect of payments by any Additional Borrower resident in the Netherlands.
- (e) Clauses 18.22 to 18.26 shall apply in respect of payments by any Obligor that does not fall within any of paragraphs (a), (b), (c) or (d).
- (f) Clause 18.27 shall apply in respect of payments made by all Obligor.

## 18.2 General

In Clauses 18.3 to 18.8:

**Borrower DTTP Filing** means an HM Revenue & Customs' Form DTTP2 duly completed and filed by the relevant Borrower, which:

- (i) where it relates to a Treaty Lender that is an Original Lender, contains the scheme reference number and jurisdiction of tax residence stated opposite that Lender's name in Part B or Part C (as applicable) of Schedule 1 (*The Parties*), and
  - (A) where the Borrower is a Borrower as at the Amendment Effective Date, is filed with HM Revenue & Customs within 30 working days of the Amendment Effective Date; or
  - (B) where the Borrower is an Additional Borrower, is filed with HM Revenue & Customs within 30 working days of the date on which that Borrower becomes an Additional Borrower; or
- (ii) where it relates to a Treaty Lender that is a New Lender, contains the scheme reference number and jurisdiction of tax residence stated in respect of that Lender in the relevant Transfer Certificate or Increase Confirmation, and
  - (A) where the Borrower is a Borrower as at the relevant Transfer Date or Increase Date as applicable, is filed with HM Revenue & Customs within 30 working days of that Transfer Date or Increase Date as applicable; or
  - (B) where the Borrower is not a Borrower as at the relevant Transfer Date or Increase Date as applicable, is filed with HM Revenue & Customs within 30 working days of the date on which that Borrower becomes an Additional Borrower.

**Qualifying Lender** means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under this Agreement and is:

- (a) a U.K. Lender; or
- (b) a Treaty Lender.

**Tax Confirmation** means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender under this Agreement is either:

- (a) a company resident in the UK for UK tax purposes;
- (b) a partnership, each member of which is:
  - (i) a company resident in the UK for UK tax purposes; or
  - (ii) a company not resident in the UK for UK tax purposes but which carries on a trade in the UK through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA 2009) the whole of any share of interest payable to it under this Agreement which is attributable to it by reason of Part 17 of the CTA 2009; or

- (c) a company not resident in the UK for UK tax purposes which carries on a trade in the UK through a permanent establishment and which brings into account interest payable to it under this Agreement in computing its chargeable profits (within the meaning of section 19 of the CTA 2009).

**Treaty Lender** means a Lender which:

- (a) is resident (as defined in the appropriate double taxation agreement) in a country with which the U.K. has a double taxation agreement giving residents of that country full exemption from U.K. taxation on interest;
- (b) does not carry on a business in the U.K. through a permanent establishment with which the payment is effectively connected; and
- (c) is entitled to receive interest without withholding or, if withheld, is entitled to reclaim that withholding in full, under the terms of the appropriate double taxation agreement.

**U.K. Bank Lender** means a Lender:

- (a) which is a bank (as defined for the purpose of section 879 of the ITA 2007) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA 2009; or
- (b) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA 2007) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance.

**U.K. Lender** means a Lender which is:

- (a) a U.K. Bank Lender; or
- (b) a U.K. Non-Bank Lender.

**U.K. Non-Bank Lender** means:

- (a) a company resident in the U.K. for U.K. tax purposes;
- (b) a partnership, each member of which:
  - (i) is a company resident in the U.K. for U.K. tax purposes; or
  - (ii) a company not resident in the U.K. for U.K. tax purposes but which carries on a trade in the U.K. through a permanent establishment and which brings into account in computing its chargeable profits (for the purpose of section 19 of CTA 2009) the whole of any share of interest payable to it under this Agreement which falls to it by reason of Part 17 of CTA 2009; or
- (c) a company not resident in the U.K. for U.K. tax purposes which carries on a trade in the U.K. through a permanent establishment and which brings into account interest payable to it under this Agreement in computing its chargeable profits for the purpose of section 19 of CTA 2009,



which, in each case, is beneficially entitled to interest payable to it under this Agreement and which has provided to the Company and not retracted confirmation that it is one of the above by way of a Tax Confirmation.

### 18.3 Tax gross-up

- (a) Each Obligor must make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If:
  - (i) a Lender is not, or ceases to be, a Qualifying Lender; or
  - (ii) an Obligor or a Lender is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction),

it must promptly notify the Facilities Agent. The Facilities Agent must then promptly notify the affected Parties.

- (c) Except as provided below, if a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from the Obligor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) Except as provided below, an Obligor is not required to make an increased payment under paragraph (c) above for a Tax Deduction in respect of tax imposed by the U.K. to a Lender that is not, or has ceased to be on the date on which the payment is due, a Qualifying Lender in excess of the amount that the Obligor would have had to pay under paragraph (c) above had the Lender been, or not ceased to be on the date on which the payment is due, a Qualifying Lender, except that where an amount (the **Claim**) is demanded under the guarantee given by Carnival plc in respect of a default by one of its Subsidiaries (the **Paying Party**), Carnival plc shall not be entitled to the benefit of this paragraph (d) if, but only to the extent that, the amount paid by Carnival plc in respect of the Claim would be thereby reduced to an amount less than the amount which the Lender was entitled to receive from the Paying Party in respect of the Claim.
- (e) Paragraph (d) above will not apply if the Lender has ceased to be a Qualifying Lender by reason of any change in (or in the interpretation, administration, or application of) any law or double taxation agreement or any published practice or concession of any relevant taxing authority which becomes effective after the date it became a Lender under this Agreement.
- (f) An Obligor is not required to make an increased payment to a Lender under paragraph (c) above for a Tax Deduction in respect of the tax imposed by the U.K. if that Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the Tax Deduction would not have been required if the Lender had complied with its obligations under paragraph (i) or (k) below.
- (g) An Obligor is not required to make an increased payment under paragraph (c) above if the Lender is a Qualifying Lender solely by virtue of being a UK Non-Bank Lender and an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a **Direction**) under section 931 ITA 2007 which relates to the payment and that Lender has received from the Obligor making the payment a certified copy of that Direction and the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made.

- (h) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction in the minimum amount required by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (i) As soon as practical following the making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor making that Tax Deduction or payment must deliver to the Facilities Agent for the relevant Finance Party evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.
- (j)
- (i) Subject to paragraph (j)(ii) below, a Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.
- (ii)
- (A) A Treaty Lender which becomes a Party on the day on which this Agreement is entered into (or the Amendment Effective Date) that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in Part B or Part C (as applicable) of Schedule 1 (*The Parties*); or
- (B) a New Lender that is a Treaty Lender that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence in the Transfer Certificate or Increase Confirmation which it executes,
- and, having done so, that Lender shall be under no obligation pursuant to sub-paragraph (i) above.
- (k) If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (j)(ii) above and:
- (i) a Borrower making a payment to that Lender has not made a Borrower DTTP Filing in respect of that Lender; or
- (ii) a Borrower making a payment to that Lender has made a Borrower DTTP Filing in respect of that Lender but:
- (A) that Borrower DTTP Filing has been rejected by HM Revenue & Customs; or
- (B) HM Revenue & Customs has not given the Borrower authority to make payments to that Lender without a Tax Deduction within 60 days of the date of the Borrower DTTP Filing,
- and in each case, the Borrower has notified that Lender in writing, that Lender and the Borrower shall co-operate in completing any additional procedural formalities necessary for that Borrower to obtain authorisation to make that payment without a Tax Deduction.

- (l) If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with paragraph (j)(ii) above, no Obligor shall make a Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment(s) or its participation in any Loan unless the Lender otherwise agrees.
- (m) A Borrower shall, promptly on making a Borrower DTTP Filing, deliver a copy of that Borrower DTTP Filing to the Facilities Agent for delivery to the relevant Lender.
- (n) A UK Non-Bank Lender which becomes a Party on the day on which this Agreement is entered into gives a Tax Confirmation to the Company by entering into this Agreement.
- (o) A UK Non-Bank Lender shall promptly notify the Company and the Facilities Agent if there is any change in the position from that set out in the Tax Confirmation.

#### **18.4 Tax indemnity**

- (a) Except as provided below, the Company must indemnify a Finance Party against any loss or liability which that Finance Party acting reasonably determines will be or has been suffered (directly or indirectly) by that Finance Party for or on account of Tax in relation to a payment received or receivable (or any payment deemed to be received or receivable) under a Finance Document.
- (b) Paragraph (a) above does not apply to any Tax assessed on a Finance Party under the laws of the jurisdiction in which:
  - (i) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident or as having a permanent establishment for tax purposes; or
  - (ii) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party.
- (c) Paragraph (a) above does not apply to the extent a loss, liability or cost:
  - (i) is compensated for by any increased payment under Clause 18.3 (*Tax gross-up*);
  - (ii) would have been compensated for by an increased payment under Clause 18.3 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in Clause 18.3(d) and 18.3(f) applied; or
  - (iii) relates to a FATCA Deduction required to be made by a Party.
- (d) A Finance Party making, or intending to make, a claim under paragraph (a) above must promptly notify the Company of the event which will give, or has given, rise to the claim.

#### **18.5 Tax Credit**

- (a) Where any payment has been made subject to a Tax Deduction, a Finance Party agrees to use its commercially reasonable endeavours to complete any procedural formalities necessary for

the relevant Finance Party to obtain any Tax Credit available as a result of the payment being made subject to a Tax Deduction.

- (b) If an Obligor makes a Tax Payment and the relevant Finance Party in its absolute discretion exercised in good faith determines that:
- (i) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
  - (ii) it has used and retained that Tax Credit (on a consolidated basis if relevant to the determination of its allowable credit for foreign taxes paid or accrued),

the Finance Party must pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

#### **18.6 Lender Status Confirmation**

- (a) Each Lender which becomes a Party to this Agreement after the Amendment Effective Date shall indicate, in the Transfer Certificate or Increase Confirmation which it executes on becoming a Party, and for the benefit of the Facilities Agent and without liability to the Obligors, which of the following categories it falls in:
- (i) not a Qualifying Lender;
  - (ii) a Qualifying Lender (other than a Treaty Lender); or
  - (iii) a Treaty Lender.
- (b) If a New Lender fails to indicate its status in accordance with this Clause 18.6 then such New Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Facilities Agent which category applies (and the Facilities Agent, upon receipt of such notification, shall inform the Company). For the avoidance of doubt, a Transfer Certificate or Increase Confirmation shall not be invalidated by any failure of a Lender to comply with this Clause 18.6.

#### **18.7 Stamp taxes**

The Company must pay and indemnify each Finance Party against any stamp duty, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any Finance Document, except for any such Tax payable in connection with the entry into a Transfer Certificate.

#### **18.8 Value added taxes**

- (a) Any amount (including costs and expenses) expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party shall as that Party).

- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any Party other than the Recipient (the **Relevant Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
- (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
  - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 18.8 to any Party shall, at any time when such Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) or any other similar provision in any jurisdiction which is not a member state of the European Union) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

## 18.9 General

In Clause 18.9 to 18.10:

**Excluded Taxes** means, with respect to the Facilities Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of an Obligor under the Finance Documents:

- (a) income, franchise or other similar taxes imposed on, based on or measured by or with respect to its net income by the United States of America, or income, franchise or other similar taxes imposed on, based on or measured by or with respect to its net income, net worth or capital employed, or gross basis business and/or occupational taxes by the jurisdiction under the laws

of which such recipient is organized or in which it is resident or, in the case of any Lender, in which its applicable lending office is located;

- (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in paragraph (a) above;
- (c) in the case of a Lender (other than an assignee pursuant to a request by an Obligor under Clause 18.10(g)), any withholding tax that:
  - (i) is attributable to such Lender's failure to comply with Clause 18.10(e); or
  - (ii) in the case of a Foreign Lender, is imposed by the United States of America and is in effect and would apply to amounts payable to such Foreign Lender, at the time such Foreign Lender becomes a party to this Agreement (including by assignment) or designates a Facility Office or a new lending office, except to the extent that (x) where the Foreign Lender is an assignee, the assignor was entitled to receive additional amounts with respect to any withholding tax pursuant to Clause 18.10, (y) where the Foreign Lender has designated a new Facility Office or other lending office, the Foreign Lender was entitled to receive additional amounts with respect to any withholding tax pursuant to Clause 18.10 before the designation of a new Facility Office or other lending office or (z) such withholding tax shall have resulted from the making of any payment to a location other than the Facility Office or other lending office designated by the Facilities Agent or such Foreign Lender for the receipt of payments of the applicable type;
- (d) any tax imposed by a jurisdiction to the extent such tax is attributable to a connection between such jurisdiction and the Facilities Agent, such Lender or such other recipient, as the case may be, other than a connection arising from the transactions contemplated by this Agreement; and
- (e) any FATCA Deduction.

**Foreign Lender** means, with respect to an Obligor, any Lender that is organized under the laws of a jurisdiction other than that in which that Obligor is located and, with respect to the Company, outside the United States of America. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

**Governmental Authority** means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

**Indemnified Taxes** means Taxes other than Excluded Taxes.

**Other Taxes** means any and all present or future recording, stamp, documentary, excise, transfer, sales, property or similar taxes, charges or levies arising from any payment made under the Finance Documents or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement other than (1) Excluded Taxes and (2) any Taxes required to be paid solely as a result of the execution or delivery of an instrument effecting an assignment, designation or participation contemplated in Clause 29 (*Changes to the Lenders*) (excluding any designation or assignment initiated pursuant to Clause 18.10(g) (*Taxes*)).

## **18.10 Taxes**

- (a) Any and all payments by or on account of any obligation of an Obligor under the Finance Documents shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if an Obligor shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Clause 18.10) the Facilities Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) that Obligor shall make such deductions and (iii) that Obligor shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.
- (b) In addition, an Obligor shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.
- (c) Each Obligor shall indemnify the Facilities Agent and each Lender, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Facilities Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of that Obligor under the Finance Documents (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Clause 18.10) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto (except to the extent such penalties, interest or expenses result from the gross negligence or wilful misconduct of the Facilities Agent or the applicable Lender), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender, or by the Facilities Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error, provided that such certificate shall include a description in reasonable detail of the Indemnified Tax or Other Tax for which the indemnity is being demanded and the calculation in reasonable detail of the amount of such indemnity. The Facilities Agent and each Lender agrees to use its reasonable endeavours to complete any procedural formalities necessary for the Facilities Agent and the Lender to obtain a credit against any Indemnified Tax or Other Tax or any relief or remission for an Indemnified Tax or Other Tax (or its repayment). Notwithstanding any contrary provision under the Finance Documents, the Facilities Agent or the Lender, as the case may be, shall have no obligation to contest the imposition or assertion of any Indemnified Tax or Other Tax.
- (d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Facilities Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment (if such a receipt is reasonably obtainable from such Governmental Authority), a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Facilities Agent.
- (e) The Facilities Agent will deliver to the Company, and each Lender will deliver to the Facilities Agent and the Company, on or before the first Utilisation Date (or, in the case of a Lender that becomes a Lender after the first Utilisation Date, on or before such later date on which such Lender becomes a Lender) such properly completed and executed Internal Revenue Service form (Form W-8BEN, W-8ECI, W-8EXP, W-8IMY, or W-9, as applicable) as will demonstrate, in accordance with applicable regulations, that payments of interest by an Obligor to the Facilities Agent for the account of such Lender pursuant to this Agreement will be exempt from (or entitled to a reduction in the rate of) United States federal withholding taxes. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Obligor is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Company (with a copy to the Facilities Agent), at the time or times prescribed by applicable law, such other properly completed and

executed documentation prescribed by applicable law or reasonably requested by the Company (including any replacement or successor form) as will permit such payments to be made without withholding or at a reduced rate, provided that such Foreign Lender has received prior written notice from the Company advising it of the availability of such exemption or reduction and containing all applicable documentation.

- (f) If the Facilities Agent or a Lender determines that it has received a refund of or Tax Credit for any Taxes or Other Taxes as to which it has been indemnified by an Obligor or with respect to which an Obligor has paid additional amounts pursuant to this Clause 18.10, it shall pay over such refund or Tax Credit to that Obligor (but only to the extent of indemnity payments made, or additional amounts paid, by the Obligor under this Clause 18.10 with respect to the Taxes or Other Taxes giving rise to such refund or Tax Credit), net of all reasonable out-of-pocket expenses of the Facilities Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund or Tax Credit); provided, that the Obligor, upon the request of the Facilities Agent or such Lender, agrees to repay the amount paid over to the Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Facilities Agent or such Lender to the extent that the Facilities Agent or such Lender is required to repay such refund to such Governmental Authority. This Clause 18.10 shall not be construed to require the Facilities Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Obligor or any other person.
- (g) If an Obligor is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to this Clause 18.10, then the Obligor may, at its sole expense and effort, upon notice to such Lender and the Facilities Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Clause 29), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Obligor shall have received the prior written consent of the Facilities Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its share in the Utilisations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Obligor (in the case of all other amounts) and (iii) in the case of any such assignment resulting from payments required to be made pursuant to this Clause 18.10, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Obligor to require such assignment and delegation cease to apply.

#### **18.11 General**

In Clauses 18.11 to 18.16:

**Italian Lender** means a Lender which is resident in Italy or acting through a Facility Office in Italy and in either case is entitled to receive interest without withholding of tax from the relevant Obligor under the domestic law of Italy.

**Qualifying Lender** means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under this Agreement and is:

- (a) an Italian Lender; or



- (b) a Treaty Lender.

**Treaty Lender** means a Lender which:

- (a) is resident (as defined in the appropriate double taxation agreement) in a country with which Italy has a double taxation agreement giving residents of that country full exemption from taxation on interest imposed by Italy;
- (b) does not carry on a business in Italy through a permanent establishment, branch or agency with which the payment is effectively connected;
- (c) is entitled to receive interest without withholding or, if withheld, is entitled to reclaim that withholding in full, under the terms of the appropriate double taxation agreement; and
- (d) has agreed with the Company any procedural formalities necessary for each Obligor to make all payments to be made by that Obligor to such Lender under the Finance Documents without any Tax Deduction.

#### **18.12 Tax gross-up**

- (a) Each Obligor must make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If:
  - (i) a Lender is not, or ceases to be, a Qualifying Lender; or
  - (ii) an Obligor or a Lender is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction),

it must promptly notify the Facilities Agent. The Facilities Agent must then promptly notify the affected Parties.

- (c) Except as provided below, if a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from the Obligor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) Except as provided below, an Obligor is not required to make an increased payment under paragraph (c) above for a Tax Deduction in respect of the tax imposed by Italy to a Lender that is not, or has ceased to be, a Qualifying Lender in excess of the increase that the Obligor would have had to pay under paragraph (c) above had the Lender been, or not ceased to be, a Qualifying Lender.
- (e) Paragraph (d) above will not apply if the Lender has ceased to be a Qualifying Lender by reason of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or double taxation agreement or any published practice or concession of any relevant taxing authority.
- (f) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and must make any payment required in connection with that Tax Deduction within the time allowed by law.

- (g) Within 46 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor must deliver to the Facilities Agent for the relevant Finance Party evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.
- (h) In the event that an Obligor changes its country of residence and a Tax Deduction is imposed by the new country of residence, that Obligor shall pay such additional amounts to ensure that the amounts received by the Facilities Agent and each Lender are no less than the amounts the Facilities Agent and each Lender would have received but for such change of country of residence by that Obligor provided always that the Obligor shall not be obliged to pay such additional amounts to the extent that such additional amounts would not have been payable under this paragraph had each Lender remained a Qualifying Lender.
- (i) Paragraph (c) above will not apply if the Lender is a Treaty Lender and the Obligor is able to demonstrate that the payment could have been made to the Lender without the tax deduction had that Lender complied with its obligations under Clause 18.11(d).

### **18.13 Tax indemnity**

- (a) Except as provided below, the Company must indemnify a Finance Party against any loss or liability which that Finance Party acting reasonably determines will be or has been suffered (directly or indirectly) by that Finance Party for or on account of Tax in relation to a payment received or receivable (or any payment deemed to be received or receivable) under a Finance Document.
- (b) Paragraph (a) above does not apply to any Tax assessed on a Finance Party under the laws of the jurisdiction in which:
  - (i) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes or as having a permanent establishment for tax purposes; or
  - (ii) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,if that Tax is imposed on or calculated by reference to the net income (including the "*valore della produzione netta*" for the purposes of Italian regional tax on productive activities or "*IRAP*" provided for by legislative decree no. 451 of 15 December 1997) received or receivable by that Finance Party. However, any payment deemed to be received or receivable, including any amount treated as income but not actually received by the Finance Party, such as a Tax Deduction, will not be treated as net income received or receivable for this purpose.
- (c) Paragraph (a) above does not apply to the extent a loss, liability or cost:
  - (i) is compensated for by any increased payment under Clause 18.12 (*Tax gross-up*);
  - (ii) would have been compensated for by an increased payment under Clause 18.12 (*Tax gross-up*) but was not so compensated solely because the exclusion in Clause 18.12(d) or the proviso to Clause 18.12(h) or Clause (i) applied; or
  - (iii) relates to a FATCA Deduction required to be made by a Party.

- (d) A Finance Party making, or intending to make, a claim under paragraph (a) above must promptly notify the Company of the event which will give, or has given, rise to the claim.

#### 18.14 Tax Credit

- (a) Where any payment has been made subject to a Tax Deduction, a Finance Party agrees to use its reasonable endeavours to complete any procedural formalities necessary for the relevant Finance Party to obtain any Tax Credit available as a result of the payment being made subject to a Tax Deduction.
- (b) If an Obligor makes a Tax Payment and the relevant Finance Party determines in its absolute discretion exercised in good faith that:
- (i) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and
  - (ii) it has used and retained that Tax Credit (on a consolidated basis if relevant to the determination of its allowable credit for foreign taxes paid or accrued),

the Finance Party must pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

#### 18.15 Stamp taxes

The Company must pay and indemnify each Finance Party against any stamp duty, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any Finance Document, except for any such Tax payable in connection with the entry into a Transfer Certificate.

#### 18.16 Value added taxes

- (a) Any amount (including costs and expenses) expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party shall as soon as reasonably practicable provide an appropriate value added tax invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any Party other than the Recipient (the **Relevant Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
- (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

- (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 18.16 to any Party shall, at any time when such Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) or any other similar provision in any jurisdiction which is not a member state of the European Union) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

### **18.17 General**

- (a) In Clauses 18.17 to 18.21:

**Protected Party** means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of tax in relation to a sum received or receivable (or any sum deemed for the purposes of tax to be received or receivable) under a Finance Document.

**Treaty Lender** means a Lender which:

- (a) is treated as a resident of a Treaty State for the purposes of the relevant Treaty; and
- (b) does not carry on a business in the Netherlands through a permanent establishment, a fixed base or a permanent representative with which that Lender's participation in the Loan is effectively connected;

**Treaty State** means a jurisdiction having a double taxation agreement (a **Treaty**) with the Netherlands which makes provision for full exemption or full refund from tax imposed on interest.

- (b) Unless a contrary indication appears, in Clauses 18.17 to 18.21 (inclusive) a reference to **determines** or **determined** means a determination made in the absolute discretion of the person making the determination.

### **18.18 Tax gross-up**

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facilities Agent accordingly. Similarly, a Lender shall notify the Facilities Agent on becoming so aware in respect of a payment payable to that Lender. If the Facilities Agent receives such notification from a Lender it shall notify the Company and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) An Obligor is not required to make an increased payment to a Lender under paragraph (c) for a Tax Deduction from a payment of interest on a Utilisation, if on the date on which the payment falls due the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) below.
- (e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount.
- (f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Facilities Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (g) A Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.

#### **18.19 Tax indemnity**

- (a) The Company shall (within three Business Days of demand by the Facilities Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been suffered (directly or indirectly) for or on account of tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) shall not apply:
  - (i) with respect to any tax assessed on a Finance Party:
    - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident or as having a permanent establishment for tax purposes; or
    - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

- (ii) to the extent a loss, liability or cost:
  - (A) is compensated for by an increased payment under Clause 18.18 (*Tax gross-up*);
  - (B) would have been compensated for by an increased payment under Clause 18.18 (*Tax gross-up*) but was not so compensated solely because the exclusion in paragraph (d) of Clause 18.18 (*Tax gross-up*) applied; or
  - (C) relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) shall promptly notify the Facilities Agent of the event which will give, or has given, rise to the claim, following which the Facilities Agent shall notify the Parent.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 18.19, notify the Facilities Agent.

#### **18.20 Tax credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines in its absolute discretion exercised in good faith that:

- (a) a Tax Credit is attributable to that Tax Payment; and
- (b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

#### **18.21 Value added tax**

- (a) Any amount (including costs and expenses) expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party shall as soon as reasonably practicable provide an appropriate value added tax invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any Party other than the Recipient (the **Relevant Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

- (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
  - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 18.21 to any Party shall, at any time when such Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) or any other similar provision in any jurisdiction which is not a member state of the European Union) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

#### **18.22 Tax gross-up**

- (a) Each Obligor must make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If an Obligor or a Lender is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Facilities Agent. The Facilities Agent must then promptly notify the affected Parties.
- (c) Except as provided below, if a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from the Obligor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and must make any payment required in connection with that Tax Deduction within the time allowed by law.

- (e) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor must deliver to the Facilities Agent for the relevant Finance Party evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.
- (f) Where possible, each Finance Party shall, in consultation with the Company, take all reasonable steps to reduce the risk of a Tax Deduction being required by law or reduce the amount of such Tax Deduction, including, without limitation, transferring its rights and obligations under the Finance Documents to an Affiliate, changing its Facility Office or co-operating with each Obligor by using its commercially reasonable endeavours to complete any procedural formalities necessary for that Obligor to obtain authorisation to make payments without a Tax Deduction.

### **18.23 Tax indemnity**

- (a) Except as provided below, the Company must indemnify a Finance Party against any loss or liability which that Finance Party acting reasonably determines will be or has been suffered (directly or indirectly) by that Finance Party for or on account of Tax in relation to a payment received or receivable (or any payment deemed to be received or receivable) under a Finance Document.
- (b) Paragraph (a) above does not apply to any Tax assessed on a Finance Party under the laws of the jurisdiction in which:
  - (i) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes or as having a permanent establishment for tax purposes; or
  - (ii) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,if that Tax is imposed on or calculated by reference to the net income received or receivable by that Finance Party. However, any payment deemed to be received or receivable, including any amount treated as income but not actually received by the Finance Party, such as a Tax Deduction, will not be treated as net income received or receivable for this purpose.
- (c) Paragraph (a) above does not apply to the extent a loss, liability or cost:
  - (i) is compensated for by any increased payment under Clause 18.22 (*Tax gross-up*); or
  - (ii) relates to a FATCA Deduction required to be made by a Party.
- (d) A Finance Party making, or intending to make, a claim under paragraph (a) above must promptly notify the Company of the event which will give, or has given, rise to the claim.

### **18.24 Tax Credit**

- (a) Where any payment has been made subject to a Tax Deduction, a Finance Party agrees to use its reasonable endeavours to complete any procedural formalities necessary for the relevant Finance Party to obtain any Tax Credit available as a result of the payment being made subject to a Tax Deduction.
- (b) If an Obligor makes a Tax Payment and the relevant Finance Party determines in its absolute discretion exercised in good faith that:



- (i) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and
- (ii) it has used and retained that Tax Credit (on a consolidated basis if relevant to the determination of its allowable credit for foreign taxes paid or accrued),

the Finance Party must pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

#### 18.25 Stamp taxes

The Company must pay and indemnify each Finance Party against any stamp duty, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any Finance Document, except for any such Tax payable in connection with the entry into a Transfer Certificate.

#### 18.26 Value added taxes

- (a) Any amount (including costs and expenses) expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party shall as soon as reasonably practicable provide an appropriate value added tax invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any Party other than the Recipient (the **Relevant Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
  - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
  - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

- (d) Any reference in this Clause 18.26 to any Party shall, at any time when such Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) or any other similar provision in any jurisdiction which is not a member state of the European Union) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply

#### **18.27 US FATCA Withholding Tax Requirements**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise indemnify or compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Company, the Facilities Agent and the other Finance Parties.
- (c) Subject to paragraph (e) below, each Party shall, within ten Business Days of a reasonable request by another Party:
  - (i) confirm to that other Party whether it is:
    - (A) a FATCA Exempt Party; or
    - (B) not a FATCA Exempt Party; and
  - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA.
- (d) If a Party confirms to another Party pursuant to paragraph (c)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (e) Paragraph (c) above shall not oblige any Finance Party to do anything which would or might in its reasonable opinion constitute a breach of:
  - (i) any law or regulation;
  - (ii) any fiduciary duty; or

- (iii) any duty of confidentiality.
- (f) If a Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (c) above (including, for the avoidance of doubt, where paragraph (e) above applies), then if that Party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such Party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party until (in each case) such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (g) If a Borrower is a US Tax Obligor, or where the Facilities Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:
  - (i) where an Original Borrower (on the Amendment Effective Date) is a US Tax Obligor and the relevant Lender is a Lender on the Amendment Effective Date, the Amendment Effective Date;
  - (ii) where a Borrower is a US Tax Obligor on a Transfer Date or on the effective date of an Increase Confirmation and the relevant Lender is:
    - (A) a New Lender, the relevant Transfer Date; or
    - (B) an Increase Lender which was not previously a Party, the effective date of the Increase Confirmation;
  - (iii) the date a new US Tax Obligor accedes as a Borrower; or
  - (iv) where the Borrower is not a US Tax Obligor, the date of a request from the Facilities Agent, supply to the Facilities Agent:
    - (i) a withholding certificate on Form W-8 or Form W-9 (or any successor form) (as applicable); or
    - (ii) any withholding statement and other documentation, authorisations, waivers and other withholding certificates as the Facilities Agent may require to certify or establish the status of such Lender under FATCA.

The Facilities Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Lender pursuant to this paragraph (e) to the Company and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Facilities Agent shall not be liable for any action taken by it under or in connection with this paragraph (f).

- (h) Each Lender agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Facilities Agent pursuant to paragraph (f) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Facilities Agent in writing of its legal inability to do so. The Facilities Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisations

and waivers to the Company. The Facilities Agent shall not be liable for any action taken by it under or in connection with this paragraph (h).

## 19. INCREASED COSTS

### 19.1 Increased Costs

Subject to the exceptions set out below, the Company shall, within three Business Days of demand by the Facilities Agent, pay for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result of:

- (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Amendment Effective Date;
- (b) compliance with any law or regulation introduced after the Amendment Effective Date;
- (c) the implementation or application of, or compliance with, Basel III or CRD IV or any other law or regulation which implements Basel III or CRD IV (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates); or
- (d) the implementation or application of, or compliance with, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended, and all requests, rules, guidelines or directives thereunder or issued in connection therewith, regardless of the date enacted, adopted or issued.

### 19.2 Claims

- (a) A Finance Party intending to make a claim for Increased Costs shall notify the Facilities Agent of the event giving rise to the claim, following which the Facilities Agent shall promptly notify the Company. Any such claim must be made on the Company within 6 months from the date on which the Finance Party becomes aware of such claim.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Facilities Agent, provide a certificate confirming the amount of its Increased Costs.

### 19.3 Exceptions

These provisions do not apply to the extent any Increased Cost is:

- (a) attributable to a Tax governed by Clause 18 (*Taxes*);
- (b) compensated for under another Clause in this Agreement or would have been but for an exception in such Clause;
- (c) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation;
- (d) a tax on the overall net income or gains of a Finance Party or any of its Affiliates;
- (e) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision (*BCBS*) in June 2004 in the form existing at the Amendment Effective Date (but excluding any amendment arising out of Basel III) (*Basel II*) or any other law or regulation which implements Basel II (whether such implementation,

application or compliance is by a government, regulator, Finance Party or any of its Affiliates); or

- (f) attributable to the implementation, or application of, or compliance with, any Bank Levy, or any law or regulation which implements any Bank Levy (whether such implementation, application or compliance is by a government, a regulator, or by a Finance Party or any of its Affiliates).

#### **19.4 Further Basel III and Dodd-Frank Requirements**

A Finance Party may only make a claim for Increased Costs attributable to the implementation or application of, or compliance with, Basel III or the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 if:

- (a) that Finance Party did not know about or could not reasonably be expected to have known about the relevant Increased Cost on or prior to the Amendment Effective Date or (if later) the date on which it became a Finance Party (provided that, if the Increased Cost was not fully quantifiable on or prior to such date, that Finance Party may claim that amount of the Increased Cost which was not, or could not reasonably be expected to have been, quantifiable); and
- (b) to the best of that Finance Party's knowledge, the Finance Party has claimed such costs from all investment grade borrowers in relation to committed facilities for investment grade borrowers which were entered into on or before the Amendment Effective Date and has confirmed this to the Company.

### **20. OTHER INDEMNITIES**

#### **20.1 Currency indemnity**

- (a) The Company shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:
  - (i) that Finance Party receiving an amount in respect of an Obligor's liability under the Finance Documents; or
  - (ii) that liability being converted into a claim, proof, judgment or order,in a currency other than the currency in which the amount is expressed to be payable under the relevant Finance Document.
- (b) Unless otherwise required by law, each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

#### **20.2 Other indemnities**

The Company shall, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability (excluding loss of profit and amounts in respect of Margin) which that Finance Party incurs as a consequence of:

- (a) the occurrence of any Event of Default;

- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including any resulting from any distribution or redistribution of any amount among the Lenders under this Agreement;
- (c) a Utilisation not being made after a Utilisation Request has been delivered for that Utilisation by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of negligence or default by that Finance Party alone); or
- (d) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment.

The Company's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document, any amount repaid or prepaid or any Utilisation.

### **20.3 Indemnity to the Facilities Agent**

The Company shall, within three Business Days of demand, indemnify the Facilities Agent against any loss or liability incurred by the Facilities Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes to be a Default provided that prior to any such investigation being commenced the Facilities Agent has consulted the Company concerning such event if the Facilities Agent, acting in good faith, considers that it can do so without prejudicing the position of the Finance Parties; or
- (b) acting or relying on any notice which the Facilities Agent reasonably believes to be genuine, correct and appropriately authorised.

### **21. MITIGATION BY THE FINANCE PARTIES**

- (a) Each Finance Party must, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which result or would result in:
  - (i) any Tax Payment or Increased Costs being payable to that Finance Party;
  - (ii) that Finance Party being able to exercise any right of prepayment and/or cancellation under this Agreement by reason of any illegality; or
  - (iii) that Finance Party incurring any cost of complying with the minimum reserve requirements of the European Central Bank, including transferring its rights and obligations under the Finance Documents to an Affiliate or changing its Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.
- (c) The Company must indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party which are directly referable to the Facility as a result of any step taken by it under this Clause 21.
- (d) A Finance Party is not obliged to take any step under this Clause 21 if, in the opinion of that Finance Party (acting reasonably), to do so could reasonably be expected to be prejudicial to it.

## **22. COSTS AND EXPENSES**

### **22.1 Initial costs**

Subject to Clause 22.4 (*Legal fees*), the Company shall, within three Business Days of demand, pay to the Facilities Agent and the Arrangers the amount of all reasonable costs and expenses (including legal fees) reasonably incurred by them in connection with the negotiation, preparation, printing, execution and syndication of the Finance Documents.

### **22.2 Subsequent costs**

- (a) Subject to Clause 22.4 (*Legal fees*), the Company must promptly on demand pay to the Facilities Agent the amount of all reasonable costs and expenses (including legal fees) reasonably incurred by it in connection with:
- (i) the negotiation, preparation, printing and execution of any Finance Document (other than a Transfer Certificate) executed after the Amendment Effective Date; and
  - (ii) any amendment, waiver or consent requested by or on behalf of an Obligor or an amendment required or specifically allowed by this Agreement to any Finance Document.

### **22.3 Enforcement costs**

Subject to Clause 22.4 (*Legal fees*), the Company must promptly on demand pay to each Finance Party the amount of all costs and expenses (including legal fees) properly incurred by it in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

### **22.4 Legal fees**

The Company will only be liable to pay an amount in respect of legal fees under Clauses 22.1 (*Initial costs*) to 22.3 (*Enforcement costs*) for one law firm, and, in the case of Clauses 22.1 (*Initial costs*) and 22.2 (*Subsequent costs*), applicable foreign counsel instructed by such law firm for the purposes of obtaining legal opinions, and, in the case of Clause 22.3 (*Enforcement costs*), applicable foreign counsel instructed by such law firm for the purposes of enforcing or preserving any rights under any Finance Document, representing all of the Finance Parties together.

### **22.5 Acknowledgment of benefit, discount or credit**

The Company acknowledges that each or any of the Facilities Agent and the Arrangers may receive a benefit, including without limitation, a discount, credit or other accommodation, from any relevant legal counsel based on the legal fees such legal counsel may receive on account of their relationship with the Facilities Agent and the Arrangers including, without limitation, fees paid pursuant to the Finance Documents.

## **23. GUARANTEE AND INDEMNITY**

### **23.1 Guarantee and indemnity by the Company**

- (a) The Company irrevocably and unconditionally:
- (i) guarantees to each Finance Party punctual performance by each Borrower that is its Subsidiary of all that Borrower's payment obligations under the Finance Documents;

- (ii) undertakes with each Finance Party that whenever a Borrower that is its Subsidiary does not pay any amount when due under any Finance Document, it shall immediately on demand by the Facilities Agent pay that amount as if it was the principal obligor; and
- (iii) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any payment obligation guaranteed by it hereunder is or becomes unenforceable, invalid or illegal; the amount of the cost, loss or liability under this indemnity shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

(b) The guarantee in Clause 23.1(a) is a continuing guarantee and will extend to the ultimate balance of sums payable by any of the Company's Subsidiaries under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

### **23.2 Guarantee and indemnity by Carnival plc**

(a) Carnival plc irrevocably and unconditionally:

- (i) guarantees to each Finance Party punctual performance by each Borrower that is its Subsidiary of all that Borrower's payment obligations under the Finance Documents;
- (ii) undertakes with each Finance Party that whenever a Borrower that is its Subsidiary does not pay any amount when due under any Finance Document, it shall immediately on demand by the Facilities Agent pay that amount as if it was the principal obligor; and
- (iii) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any payment obligation guaranteed by it hereunder is or becomes unenforceable, invalid or illegal; the amount of the cost, loss or liability under this indemnity shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

(b) The guarantee in Clause 23.2(a) is a continuing guarantee and will extend to the ultimate balance of sums payable by any of Carnival plc's Subsidiaries under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

### **23.3 Reinstatement**

(a) If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of each Guarantor under this Clause will continue as if the discharge or arrangement had not occurred.

(b) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

### **23.4 Waiver of defences**

The obligations of each Guarantor under this Clause 23 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 23 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;



- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Carnival Corporation & plc Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (f) any amendment, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in, any facility or the addition of any new facility under any Finance Document or other document or security;
- (g) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (h) any insolvency or similar proceedings.

### **23.5 Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 23. This waiver applies irrespective of any law or any provision of the Finance Documents to the contrary.

### **23.6 Appropriations**

- (a) Until all amounts which may be or become payable by any of the Company's Subsidiaries under the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:
  - (i) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts; or
  - (ii) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Company shall not be entitled to the benefit of the same; and
  - (iii) hold in an interest-bearing suspense account (bearing interest at market rates) any moneys received from the Company or on account of the Company's liability under this Clause 23.
- (b) Until all amounts which may be or become payable by any of Carnival plc's Subsidiaries under the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (i) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts; or
- (ii) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and Carnival plc shall not be entitled to the benefit of the same; and
- (iii) hold in an interest-bearing suspense account any moneys received from Carnival plc or on account of Carnival plc's liability under this Clause 23.

### **23.7 Non-competition**

- (a) The Company shall, until all sums whatsoever payable (or which may become payable) by any of its Subsidiaries under or in connection with the Finance Documents have been irrevocably paid in full, exercise only in accordance with the Facilities Agent's instructions:
  - (i) its rights of subrogation, contribution and indemnity against that Subsidiary;
  - (ii) its right to take the benefit of, share in or enforce any security or other guarantee or indemnity for that Subsidiary's obligations under the Finance Documents held by any of the Finance Parties;
  - (iii) its rights to prove or claim in the bankruptcy, liquidation, administration or other insolvency proceedings of that Subsidiary;
  - (iv) its rights to bring legal or other proceedings for an order requiring that Subsidiary to make any payment, or perform any obligation, in respect of which the Company has given a guarantee, undertaking or indemnity under this Clause 23; and
  - (v) its rights to exercise any right of set-off against that Subsidiary.
- (b) Any amount recovered as a result of the exercise of the rights described in paragraph (a) above shall be held on trust for the Facilities Agent on behalf of the Finance Parties and paid to the Facilities Agent for the Finance Parties on demand. The Company warrants to the Finance Parties that it has not taken any security from its Subsidiaries in relation to the Finance Documents and agrees not to do so until the Finance Parties receive all sums payable by those Subsidiaries under the Finance Documents. Any security taken by the Company in breach of this provision and all moneys at any time received in respect thereof shall be held in trust for the Finance Parties.
- (c) Carnival plc shall, until all sums whatsoever payable (or which may become payable) by any of its Subsidiaries under or in connection with the Finance Documents have been irrevocably paid in full, exercise only in accordance with the Facilities Agent's instructions:
  - (i) its rights of subrogation, contribution and indemnity against that Subsidiary;
  - (ii) its right to take the benefit of, share in or enforce any security or other guarantee or indemnity for that Subsidiary's obligations under the Finance Documents held by any of the Finance Parties;
  - (iii) its rights to prove or claim in the bankruptcy, liquidation, administration or other insolvency proceedings of that Subsidiary;

- (iv) its rights to bring legal or other proceedings for an order requiring that Subsidiary to make any payment, or perform any obligation, in respect of which Carnival plc has given a guarantee, undertaking or indemnity under this Clause 23; and
  - (v) its rights to exercise any right of set-off against that Subsidiary.
- (d) Any amount recovered as a result of the exercise of the rights described in paragraph (c) above shall be held on trust for the Facilities Agent on behalf of the Finance Parties and paid to the Facilities Agent for the Finance Parties on demand. Carnival plc warrants to the Finance Parties that it has not taken any security from its Subsidiaries in relation to the Finance Documents and agrees not to do so until the Finance Parties receive all sums payable by those Subsidiaries under the Finance Documents. Any security taken by Carnival plc in breach of this provision and all moneys at any time received in respect thereof shall be held in trust for the Finance Parties.

### **23.8 Additional security**

Each guarantee in Clause 23.1 (*Guarantee and indemnity by the Company*) is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

## **24. REPRESENTATIONS**

### **24.1 Representations**

The representations set out in this Clause are made in accordance with Clause 24.10 (*Times for making representations*).

### **24.2 Status**

Each Obligor is duly incorporated and validly existing under the laws of its jurisdiction of incorporation as a limited liability company, a corporation, or other legal entity and has the power to execute, deliver and perform its obligations under the Finance Documents; all necessary corporate action has been taken by each Obligor to authorise the execution, delivery and performance of, the Finance Documents to which it is or will be a party and each Finance Document to which it is a party constitutes valid and legally binding and enforceable obligations in accordance with its terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)); each Obligor has the power to own its assets and carry on its business as it is being conducted where a lack of such power would have a Material Adverse Effect.

### **24.3 Non-conflict**

The execution, delivery and performance by each Obligor of the Finance Documents will not contravene any existing law, regulation or authorisation to which that Obligor is subject, result in the breach of or default under any agreement or other instrument to which that Obligor is a party or which is binding upon that Obligor or its assets or contravene any provision of that Obligor's constitutional documents.

### **24.4 No default**

- (a) No Default has occurred and is outstanding or will result from the execution of, or the performance of any transaction contemplated by, any Finance Document.
- (b) No Obligor nor any of its respective Subsidiaries is in default under any agreement relating to Borrowed Money to which it or any of its respective Subsidiaries is a party or by which it or

any of its respective Subsidiaries may be bound which default would have a Material Adverse Effect.

#### 24.5 Financial statements

The Carnival Corporation & plc Group's audited financial statements most recently delivered to the Facilities Agent (which, in the case of the Carnival Corporation & plc Group at the Signing Date, are the Original Financial Statements):

- (a) have been prepared in accordance with GAAP, consistently applied; and
- (b) fairly represent its financial condition (consolidated, if applicable) as at the date to which they were drawn up, except, in each case, as disclosed to the contrary in those financial statements.

#### 24.6 No material adverse change

There has been no adverse change in the business or consolidated financial condition of the Carnival Corporation & plc Group since the date to which the Original Financial Statements were drawn up which would have a Material Adverse Effect.

#### 24.7 Litigation

No litigation, arbitration or administrative proceedings is taking place, pending or to its knowledge, threatened against an Obligor or any Material Subsidiary, which is likely to be determined adversely to the relevant member of the Carnival Corporation & plc Group and, if so determined, would be likely to have a Material Adverse Effect.

#### 24.8 Pari passu ranking

The obligations of each Obligor under the Finance Documents to which it is a party rank at least pari passu with all its other present unsecured and unsubordinated indebtedness with the exception of any obligations which are mandatorily preferred by law.

#### 24.9 United States Law

- (a) In this Subclause:
  - (i) **Anti-Terrorism Law** means each of:
    - (A) Executive Order No. 13224 on Terrorist Financing: Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism issued September 23, 2001, as amended by Order 13268 (as so amended, the **Executive Order**);
    - (B) the regulations of the Office of Foreign Assets Control (**OFAC**) of the U.S. Department of Treasury, 31 C.F.R., Subtitle B, Chapter V;
    - (C) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (commonly known as the USA Patriot Act) (the **USA Patriot Act**); and
    - (D) the Money Laundering Control Act of 1986, 18 U.S.C. sect. 1956;

- (ii) **controlled** has the meaning given to it in the United States Investment Company Act of 1940;
- (iii) **investment company** has the meaning given to it in the United States Investment Company Act of 1940;
- (iv) **public utility** has the meaning given to it in the United States Federal Power Act of 1920; and
- (v) **Restricted Party** means any person listed:
  - (A) in the Annex to the Executive Order;
  - (B) on the “Specially Designated Nationals and Blocked Persons” list maintained by the OFAC; or
  - (C) in any successor list to either of the foregoing.
- (b) No Obligor which is incorporated in the United States of America or a state thereof is:
  - (i) an investment company or controlled by an investment company, or required to register as an investment company;
  - (ii) a public utility, or subject to regulation, under the United States Federal Power Act of 1920; or
  - (iii) subject to regulation under any United States Federal or State law or regulation that limits its ability to incur indebtedness.
- (c) No Obligor nor any of its respective Affiliates is, or is controlled by, a Restricted Party.
- (d) No Obligor nor any of its respective Subsidiaries, to that Obligor’s knowledge, is in breach of or is the subject of any material action or investigation under any applicable Anti-Terrorism Law.
- (e) Each Obligor and each of its respective Subsidiaries have taken reasonable measures to promote compliance with applicable Anti-Terrorism Laws.

**24.10 Times for making representations**

- (a) The representations set out in this Clause 24 are made by each Original Obligor on the Signing Date in respect of itself (and its respective Subsidiaries if so stated in the representation so concerned) to each Finance Party.
- (b) Unless a representation is expressed to be given at a specific date, each representation (other than Clause 24.4 (*No default*) to Clause 24.7 (*Litigation*) inclusive) is deemed to be repeated by the Company and each Borrower to each Finance Party on the date of each Utilisation Request, each Utilisation Date, the first day of each Interest Period and, in the case of an Additional Borrower, by the Additional Borrower on the day on which the Subsidiary becomes an Additional Borrower.
- (c) When a representation is repeated, it shall be made with reference to the facts and circumstances existing at the time of repetition.

## 25. INFORMATION UNDERTAKINGS

### 25.1 Financial statements

- (a) The Company must supply to the Facilities Agent (in sufficient copies for all the Lenders if the Facilities Agent so requests):
- (i) the audited consolidated financial statements of the Carnival Corporation & plc Group for each of its financial years (which will be the Carnival Corporation 10-K as filed with the SEC);
  - (ii) the unaudited consolidated financial statements of the Carnival Corporation & plc Group for each of the first three fiscal quarters in each of its financial years (which will be the Carnival Corporation 10-Q as filed with the SEC); and
  - (iii) the registration statements and reports filed with the SEC (including the Carnival Corporation 10-K) by the Company and Carnival plc.
- (b) All financial statements must be supplied as soon as they are available and:
- (i) in the case of the audited consolidated financial statements of the Carnival Corporation & plc Group, within 120 days;
  - (ii) in the case of unaudited quarterly financial statements of the Carnival Corporation & plc Group, within 75 days; and
  - (iii) in the case of registration statements and reports filed with the SEC, within 15 days,
- of the end of the relevant financial period (or in the case of paragraph (a)(iii) above, of the date of filing with the SEC in accordance with the time periods specified in the rules and regulations of the SEC).

### 25.2 Form of financial statements

The Company must ensure that each set of financial statements supplied under this Agreement fairly presents the financial condition (consolidated or otherwise) of the relevant person as at the date to which those financial statements were drawn up. The Company shall not be required to produce footnotes to the unaudited financial statements.

### 25.3 Compliance Certificate

- (a) The Company must supply to the Facilities Agent a Compliance Certificate with each set of financial statements sent to the Facilities Agent under this Agreement.
- (b) A Compliance Certificate must be signed by a senior financial officer of the Company.

### 25.4 Information - miscellaneous

- (a) The Company must supply to the Facilities Agent (in sufficient copies for all the Lenders if the Facilities Agent so requests):
- (i) copies of all documents despatched by the Company or Carnival plc to its creditors generally at the same time as the documents are despatched;

- (ii) promptly on request, a list of the then current Material Subsidiaries; and
  - (iii) promptly on request, such further information regarding the financial condition and operations of the Carnival Corporation & plc Group as any Finance Party through the Facilities Agent may reasonably require except information which is confidential in relation to third parties or which the Company is prohibited from disclosing by law or by regulatory requirement.
- (b) The Company must provide written notice to the Facilities Agent of any information posted to the website identified in Clause 25.6(a) (ii) for the benefit of its shareholders, and for this purpose only the Facilities Agent agrees that it will accept such notification by email. The Company shall provide such notification as soon as practicable after the relevant information is posted to the website.

## 25.5 Notification of Default

The Company must notify the Facilities Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

## 25.6 Use of websites

- (a) Except as provided below, the Company may deliver any information under this Agreement to a Lender by posting it on to an electronic website if:
- (i) the Facilities Agent and the Lender agree, it being understood that, subject to paragraph (b) below, the Facilities Agent and all Original Lenders provide their consent for all of the information under Clause 25.1(a) (*Financial statements*) to be so delivered;
  - (ii) the Company and the Facilities Agent designate an electronic website for this purpose which, for the purpose of Clause 25.1(a) (*Financial statements*) hereof shall be [www.carnivalcorp.com](http://www.carnivalcorp.com), until and unless the Company sends written notice to the Facilities Agent advising of a change to the details of the website;
  - (iii) the Company notifies the Facilities Agent of the address of and password (if any) for the website (other than with respect to the information contemplated by Clause 25.1(a) (*Financial statements*) which shall be posted to the website identified in paragraph (ii) above); and
  - (iv) the information posted is in a format agreed between the Company and the Facilities Agent.

The Facilities Agent must supply each relevant Lender with the address of and password for the website.

- (b) Notwithstanding the above, the Company must supply to the Facilities Agent in paper form a copy of any information posted on the website together with sufficient copies for:
- (i) any Lender not agreeing to receive information via the website; and
  - (ii) within ten Business Days of request, any other Lender, if that Lender so requests.
- (c) The Company must promptly upon becoming aware of its occurrence, notify the Facilities Agent if:

- (i) the website cannot be accessed;
- (ii) the website or any information on the website is infected by any electronic virus or similar software;
- (iii) the password (if any) for the website is changed; or
- (iv) any information to be supplied under this Agreement is posted on the website or amended after being posted.

If the circumstances in paragraph (i) or (ii) above occur, the Company must supply any information required under this Agreement in paper form during the time that the website is not available.

## 25.7 “Know your customer” checks

- (a) The Company shall promptly upon the written request of the Facilities Agent supply, or procure the supply of, such documentation and other evidence about each Obligor and each Additional Borrower as is reasonably requested by the Facilities Agent, for itself, on behalf of any Lender or on behalf of any prospective New Lender, in order for the Facilities Agent, that Lender or prospective New Lender to carry out and be satisfied with the results of all necessary “know your customer” checks that it is required to carry out by reason of being a party to the transactions contemplated in the Finance Documents, provided that (subject to any change of law, change of regulation or a change in a Lender’s internal compliance procedures, or any change in the interpretation, administration or application thereof, that is made, in each case, in accordance with a Lender’s normal practice in respect of companies which are listed (at all times when the Company is listed) investment grade (at all times when the Company’s debt is of investment grade) and (at all times) of a comparable credit standing to the Company (other than, in each case, on those companies first becoming a customer of that Lender), or any change in status of any Obligor after the Amendment Effective Date, that might reasonably result in further documentation or other evidence being required) the Facilities Agent may only make one such request in respect of itself, each Lender and each prospective New Lender.
- (b) Each Lender shall promptly upon the request of the Facilities Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facilities Agent (for itself) in order for the Facilities Agent to carry out and be satisfied with the results of all necessary “know your customer” checks that it is required to carry out pursuant to the transactions contemplated in the Finance Documents.

## 26. FINANCIAL COVENANTS

### 26.1 Definitions

**Borrowed Money** or **moneys borrowed** means, at any time, all borrowings of the respective members of the Carnival Corporation & plc Group whether secured or unsecured and shall be deemed to include (to the extent that the same would not otherwise fall to be taken into account):

- (a) the principal amount for the time being owing (other than to any member of the Carnival Corporation & plc Group) of all debentures (as defined in section 738 of the Companies Act 2006) notwithstanding that the same may be or have been issued in whole or in part for a consideration other than cash; except that, in the case of a debenture issued at a discount which contains provisions for prepayment or acceleration, the principal amount thereof at any relevant time shall be deemed to be the highest amount which would, if such debenture were then to be



repaid in accordance with any such provision for prepayment or acceleration, be repayable in respect of the principal amount thereof;

- (b) the outstanding amount raised by the acceptance of bills (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Carnival Corporation & plc Group or by any bank or accepting house under any acceptance credit opened on behalf of any member of the Carnival Corporation & plc Group;
- (c) the fixed premium payable on final redemption or repayment of any debentures, share capital or other Borrowed Moneys falling to be taken into account;
- (d) the nominal amount of any issued share capital and the principal amount of any Borrowed Moneys, the redemption or repayment whereof is guaranteed or the subject of any indemnity or otherwise secured (and where part only is so secured to the extent so secured) by any other member of the Carnival Corporation & plc Group except insofar as either the benefit of such guarantee or indemnity or security or the beneficial interest in the right to such redemption or repayment is held by another member of the Carnival Corporation & plc Group or such nominal or principal amount is otherwise taken into account hereunder;

Provided that:

- (i) moneys borrowed by any member of the Carnival Corporation & plc Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other Borrowed Moneys falling to be taken into account and intended to be applied for such purposes within six months after the borrowing thereof and so applied shall not during such period except to the extent not so applied themselves be taken into account;
- (ii) moneys borrowed by any member of the Carnival Corporation & plc Group and owing to any other member of the Carnival Corporation & plc Group shall not (save to the extent mentioned in (iii) below) be taken into account;
- (iii) moneys borrowed by a member of the Carnival Corporation & plc Group which is a partly owned Subsidiary of the Company and not owing to the Company or another member of the Carnival Corporation & plc Group shall be taken into account subject to the exclusion of that proportion thereof as equals the minority proportion but the minority proportion of any moneys borrowed by a member of the Carnival Corporation & plc Group from a partly-owned Subsidiary (which would otherwise be excluded by virtue of (ii) above) shall be included; for these purposes minority proportion shall mean that proportion of the issued equity share capital (within the meaning of section 548 of the Companies Act 2006) of the partly-owned Subsidiary which is not attributable directly or indirectly to the Company;
- (iv) moneys borrowed by a member of the Carnival Corporation & plc Group expressed in or calculated by reference to a currency other than US Dollars shall be converted into US Dollars in the manner used in the financial statements filed by the Carnival Corporation & plc Group with the SEC;
- (v) moneys borrowed against the security of an asset in respect of which there is no recourse against any member of the Carnival Corporation & plc Group other than to that asset shall not be taken into account; and
- (vi) Excluded Indebtedness shall not be taken into account.

**Capital Lease** means with respect to any person, any lease of any property (whether real, personal or mixed) by such person as lessee that, in accordance with GAAP, either would be required to be classified and accounted for as a capital lease on a balance sheet of such person or otherwise be disclosed as such in a note to such balance sheet, other than, in the case of the Company and Carnival plc or a Subsidiary, any such lease under which the Company, Carnival plc or such Subsidiary is the lessor.

**Consolidated Capital** means, at any time, the aggregate of the Issued Capital and Consolidated Reserves of the Carnival Corporation & plc Group and all Borrowed Moneys for the time being undischarged.

**Consolidated Net Interest Charges** means Interest Payable less Interest Receivable during the relevant Measurement Period.

**EBITDA** means the consolidated net income of the Carnival Corporation & plc Group for the relevant Measurement Period:

- (a) before any deduction for Taxes;
- (b) before any deduction for Consolidated Net Interest Charges and before any amortisation of upfront fees and expenses in relation to Borrowed Money;
- (c) before any deduction for depreciation or impairment;
- (d) before any deduction for amortisation; and
- (e) excluding exceptional items and separately disclosable items (for the avoidance of doubt, including restructuring items),

but adjusted by deducting any amounts attributable to minority interests.

**Excluded Indebtedness** means any Indebtedness (including Indebtedness pursuant to a U.S. leveraged lease financing including a U.S. lease to service contract under Section 7701(e) of the Internal Revenue Code of 1986 (as amended from time to time)), the payment of which is provided for by the deposit of cash, cash equivalents or letters of credit with one or more investment-grade banks or other financial institutions acting as payment undertaker, irrespective whether any such arrangements constitutes a defeasance under GAAP.

**GAAP** means generally accepted accounting principles in the United States.

**Indebtedness** means (a) any liability of any person (i) for borrowed money, or under any reimbursement obligation related to a letter of credit or bid or performance bond facility, or (ii) evidenced by a bond, note, debenture or other evidence of indebtedness (including a purchase money obligation) representing extensions of credit or given in connection with the acquisition of any business, property, service or asset of any kind, including without limitation, any liability under any commodity, interest rate or currency exchange hedge or swap agreement (other than a trade payable, other current liability arising in the ordinary course of business or commodity, interest rate or currency exchange hedge or swap agreement arising in the ordinary course of business) or (iii) for obligations with respect to (A) an operating lease, or (B) a lease of real or personal property that is or would be classified and accounted for as a Capital Lease; (b) any liability of others either for any lease, dividend or letter of credit, or for any obligation described in the preceding Clause (a) that (i) the person has guaranteed or that is otherwise its legal liability (whether contingent or otherwise or direct or indirect, but excluding endorsements or negotiable instruments for deposit or collection in the ordinary course of business) or (ii) is secured by any Security Interest on any property or asset owned or held by that person, regardless whether the obligation secured thereby shall have been assumed by or is a personal liability of that person; and (c) any amendment,

supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in Clauses (a) and (b) above; provided however, that **Indebtedness** shall not include Excluded Indebtedness.

**Interest** means the aggregate interest, guarantee commission and amounts in the nature of interest paid or payable in respect of any Borrowed Moneys (other than agency, arrangement, management or participation fees or fees of any other nature).

**Interest Payable** means the aggregate of:

- (a) all Interest attributable to the Carnival Corporation & plc Group and charged to the Carnival Corporation & plc Group's consolidated profit and loss account during the relevant Measurement Period; and
- (b) the interest (or equivalent) element of payments under finance leases attributable to the Carnival Corporation & plc Group and charged to the Carnival Corporation & plc Group's consolidated profit and loss account during that Measurement Period;

in each case and calculated on the basis that:

- (i) the amount of Interest accrued will be increased by an amount equal to any amount payable by any member of the Carnival Corporation & plc Group under interest rate hedging arrangements in relation to that Measurement Period; and
- (ii) the amount of Interest accrued will be reduced by an amount equal to any amount payable to any member of the Carnival Corporation & plc Group under interest rate hedging arrangements in relation to that Measurement Period.

**Interest Receivable** means all interest and amounts in the nature of interest attributable to the Carnival Corporation & plc Group and credited to the Carnival Corporation & plc Group's consolidated profit and loss account during the relevant Measurement Period (whether or not paid).

**Issued Capital and Consolidated Reserves** means at any relevant time the aggregate of:

- (a) the amount paid up or credited as paid up on the issued share capital of the Company and Carnival plc on a combined basis (for which purpose an issue or proposed issue of share capital for cash which has been unconditionally underwritten shall be deemed paid up to the extent that the underwriters are liable therefor and that such capital will be paid up within four months from the date when such underwriting liability became unconditional); and
- (b) the amounts standing to the credit of the consolidated capital and revenue reserves of the Carnival Corporation & plc Group (including any share premium account or capital redemption reserve fund) after adding thereto or deducting therefrom any balance to the credit or debit of the profit and loss account, all determined by reference to the then latest available audited consolidated balance sheet of Carnival Corporation (reflecting the Carnival Corporation & plc Group) but after:
  - (i) deducting an amount equal to any distribution declared, recommended or made by any member of the Carnival Corporation & plc Group (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of such balance sheet to the extent that such distribution is not provided for in such balance sheet;

- (ii) excluding amounts attributable to minority interests in the Company's or Carnival plc's Subsidiaries;
- (iii) excluding any sums set aside for deferred taxation but only to the extent that the reduction in the tax charge represented thereby cannot be seen with reasonable probability to continue for the foreseeable future; and
- (iv) deducting any amount representing any intangible assets other than goodwill arising on consolidation.

**Measurement Period** means any twelve month period ending on a Testing Date.

**Testing Date** means the last day of each financial quarter of the Carnival Corporation & plc Group.

## **26.2 Interpretation**

- (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Facilities Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Signing Date in GAAP or in the application thereof on the operation of such provision (or if the Facilities Agent notifies the Company that the Majority Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.
- (b) Any amount in a currency other than US Dollars is to be taken into account at its US Dollars equivalent calculated on the basis of the relevant rates of exchange used by the Carnival Corporation & plc Group in, or in connection with, its financial statements for that period.
- (c) No item must be credited or deducted more than once in any calculation under this Clause.

## **26.3 Issued Capital and Consolidated Reserves**

The Company must ensure that on each Testing Date Issued Capital and Consolidated Reserves are in excess of USD5,000,000,000.

## **26.4 Gearing**

The Company must ensure that on each Testing Date the aggregate of all Borrowed Moneys (for the time being undischarged) does not exceed 65 per cent. of Consolidated Capital at that time.

## **26.5 Interest cover**

The Company must ensure that on each Testing Date the ratio of EBITDA to Consolidated Net Interest Charges, for the Measurement Period ending on the Testing Date, is not less than 3 to 1.

## **27. GENERAL UNDERTAKINGS**

### **27.1 General**

Each Obligor agrees to be bound by the covenants set out in this Clause relating to it and, where the covenant is expressed to apply to any member of the Carnival Corporation & plc Group and/or Material

Subsidiaries, the Company and Carnival plc shall ensure that, in respect of each of their Subsidiaries, the relevant Carnival Corporation & plc Group member performs that covenant.

## **27.2 Authorisations**

Each Obligor will obtain and comply with and do all that is necessary to maintain in full force and effect, and shall procure that each of its Subsidiaries obtain and comply with and do all that is necessary to maintain in full force and effect, in all material respects the terms and conditions of all authorisations, approvals, resolutions, exemptions, filings, notarisations, consents, licences and concessions material to the carrying on of its business as a member of the Carnival Corporation & plc Group, where the failure to so comply would be likely to have a Material Adverse Effect.

## **27.3 Negative pledge**

No Obligor will create or incur, or suffer to be created or incurred or come to exist any Security Interest in respect of Indebtedness on any vessel or other of its properties or assets of any kind, real or personal, tangible or intangible, included in the consolidated balance sheet of the Carnival Corporation & plc Group in accordance with GAAP, nor shall the Company permit any member of the Carnival Corporation & plc Group to do any of the foregoing provided that solely for the purposes of this Clause 27.3 the term **Security Interest** shall not include:

- (a) any Security Interest in respect of Excluded Assets or Excluded Indebtedness;
- (b) any other Security Interest in respect of Indebtedness up to an amount not greater than 40% of the amount of the total assets of the Carnival Corporation & plc Group as shown in the Carnival Corporation & plc Group's most recent consolidated balance sheet (excluding for these purposes the value of any intangible assets); and
- (c) any Security Interest arising pursuant to clause 24 or clause 25 under the General Banking Conditions or any successor provision on any lien and on any right of set-off under the General Banking Conditions.

## **27.4 Insurance**

The Company (for itself and its Subsidiaries) and Carnival plc (for itself and its Subsidiaries) will ensure that it, each other Obligor and each Material Subsidiary will insure all of their respective properties and assets with insurance companies to such an extent and against such risks as prudent companies engaged in businesses similar to those of the relevant company normally insure where the failure to so insure would have a Material Adverse Effect if the risk concerned were to occur.

## **27.5 ERISA**

The Company (for itself and its Subsidiaries) and Carnival plc (for itself and its Subsidiaries) will ensure that it, each other Obligor and each Material Subsidiary will comply with all applicable provisions of ERISA and the regulations and rulings issued thereunder where failure to so comply would be likely to have a Material Adverse Effect.

## **27.6 Margin Stock**

The Company (for itself and its Subsidiaries) and Carnival plc (for itself and its Subsidiaries) will ensure that no Borrower will use the proceeds of any Utilisation, directly or indirectly, to buy or carry Margin Stock (as defined in Regulations U and X issued by the Board of Governors of the United States Federal Reserve System) or to extend credit to others for the purposes of buying or carrying Margin Stock in any manner that might cause the borrowing or application to violate Regulations U or X. No Obligor

may use any part of any Utilisation to acquire any security in violation of Section 13 or 14 of the United States Securities Exchange Act of 1934.

### **27.7 Use of proceeds**

No Obligor will use the proceeds of the Facilities, or lend, contribute or otherwise make available such proceeds, to any Affiliate or other person for the purpose of funding any activities of or business with any Restricted Party, or in any country or territory that is subject to a general import, export, financial or investment embargo under sanctions administered by OFAC, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, **Sanctions**), or in any other manner that will result in a violation by any person (including any person participating in the Facilities, whether as Facilities Agent, Lender or otherwise) of Sanctions.

## **28. EVENTS OF DEFAULT**

Each of the events set out in this Clause is an Event of Default.

### **28.1 Non-payment**

An Obligor does not pay on the due date any amount payable by it under the Finance Documents in the manner required under the Finance Documents and such amount is not paid within five Business Days of receipt of written notice from the Facilities Agent that it has not received such sum provided that if such failure is solely the result of any bank or financial institution not promptly remitting a payment as instructed by the Obligor and if that Obligor has taken all reasonable steps to cause such payment to be made, the period for the remedy of such payment failure shall be extended by a further three Business Days.

### **28.2 Breach of other obligations**

An Obligor defaults in the due performance or observance of any of its covenants under Clause 26 (*Financial covenants*) or any material obligations under the Finance Documents (other than non-payment of any amount payable by it under the Finance Documents on its due date), unless the non-compliance is remedied within fifteen Business Days of the Facilities Agent giving notice of the non-compliance and requesting that such default be remedied.

### **28.3 Misrepresentation**

Any material representation or warranty made or deemed to be made or repeated by an Obligor in any Finance Document is or proves to have been incorrect in any material respect, unless the same is capable of remedy and is remedied within fifteen Business Days of the Facilities Agent giving notice of the misrepresentation.

### **28.4 Cross-default**

Any Borrowed Money in any amount or aggregate amount at any one time, in excess of USD100,000,000 (or its equivalent in any currency) of a Carnival Material Group Member:

- (a) is not paid as and when the same is and becomes due and payable (or within any applicable grace period); or
- (b) becomes (whether by declaration or automatically in accordance with the relevant agreement or instrument constituting the same) due and payable prior to the date when it would otherwise have become due by reason of any default (however described),

provided that no Event of Default shall arise under this Clause 28.4 where the Borrowed Money in question is a Non-Recourse Financing Arrangement.

### **28.5 Insolvency Proceedings**

- (a) An order is made or resolution passed for the winding-up or dissolution of a Carnival Material Group Member other than:
  - (i) for the purpose of an amalgamation, reorganisation, merger or reconstruction agreed to in writing by the Facilities Agent (acting on the instructions of the Majority Lenders, such agreement not to be unreasonably withheld or delayed); or
  - (ii) where such winding-up or dissolution is commenced as a result of the termination of the dual-listed combination structure between the Company and Carnival plc and where:
    - (A) the surviving entity is (I) the Company and the Company assumes all the obligations of Carnival plc under this Agreement, (II) Carnival plc and Carnival plc assumes all the obligations of the Company under this Agreement or (III) a Subsidiary of either the Company or Carnival plc (as the case may be) and such Subsidiary assumes all the obligations of the Company or Carnival plc (as the case may be) under this Agreement; and
    - (B) such winding-up or dissolution is permitted under the terms of the DLC Documents; or
- (b) A Carnival Material Group Member makes or seeks to make any composition or other restructuring with its creditors generally in respect of indebtedness which it would otherwise be unable to pay or an administration or similar order is made in relation to, or an administrator or similar officer is appointed in respect of, the relevant Carnival Material Group Member.

### **28.6 Insolvency**

A Carnival Material Group Member is deemed unable to pay its debts (within the meaning of section 123(1)(e) or (2) of the Insolvency Act 1986) or, in relation to any Carnival Material Group Member incorporated in Italy, is insolvent (within the meaning of Article 5 of the Italian Insolvency Law) or, in relation to a Borrower incorporated in The Netherlands, is declared bankrupt (*failliet verklaard*) or granted a moratorium of payments (*surséance verleend*) within the meaning of the Dutch Insolvency Law or an encumbrancer takes possession of or a receiver or person with similar powers is appointed over the whole or a substantial part of the relevant Carnival Material Group Member's assets and shall not be paid off or removed within fifteen Business Days, and no Event of Default shall arise under this Clause 28.6 where the asset or property in question is the subject a Non-Recourse Financing Arrangement.

### **28.7 Creditors' process**

- (a) Any distress, execution or analogous event affects any substantial part of a Carnival Material Group Member (other than a Dutch Borrower) and is not removed or discharged within fifteen Business Days, and no Event of Default shall arise under this Clause 28.7 where the asset or property in question is the subject a Non-Recourse Financing Arrangement.
- (b) A Dutch executory attachment (*executorial beslag*) affects any substantial part of the assets of a Dutch Borrower.

### **28.8 Cessation of business**

An Obligor ceases to carry on all or a substantial part of its business and such cessation of business has a Material Adverse Effect.

### 28.9 Effectiveness of Finance Documents

- (a) It is or becomes unlawful for an Obligor to perform any of its material obligations under the Finance Documents.
- (b) Any Finance Document is not effective or is alleged by an Obligor to be ineffective for any reason.
- (c) An Obligor repudiates a Finance Document.

### 28.10 United States Bankruptcy Laws

- (a) In this Subclause:

**U.S. Bankruptcy Law** means the United States Bankruptcy Code or any other United States Federal or State bankruptcy, insolvency or similar law.

**U.S. Debtor** means an Obligor that is incorporated or organised under the laws of the United States of America or any State of the United States of America (including the District of Columbia) or that has a place of business or property in the United States of America.

- (b) Subject to paragraph (c) below, any of the following occurs in respect of any U.S. Debtor which is subject to U.S. Bankruptcy Law:
  - (i) it makes a general assignment for the benefit of creditors;
  - (ii) it commences a voluntary case or proceeding under any U.S. Bankruptcy Law;
  - (iii) an involuntary case under any U.S. Bankruptcy Law is commenced against it and is not controverted within 30 days or is not dismissed or stayed within 90 days after commencement of the case; or
  - (iv) an order for relief or other order approving any case or proceeding is entered under any U.S. Bankruptcy Law.
- (c) Paragraph (b) above shall not apply where an involuntary case is commenced pursuant to paragraph (b)(iii) above (an **Involuntary Bankruptcy Event**) in respect of a Borrower (other than the Company) which:
  - (i) does not have any actual or contingent liabilities as a Borrower under the Finance Documents at the time the relevant Involuntary Bankruptcy Event occurs; and
  - (ii) is not a Material Subsidiary,and in such circumstances:
  - (iii) such Borrower shall, with effect from such Involuntary Bankruptcy Event, be prevented from incurring any actual or contingent obligations as a Borrower under any of the Finance Documents; and



- (iv) the Company undertakes to use its reasonable endeavours to procure the resignation of such Borrower as soon as reasonably practicable.

## 28.11 Article 2447 or 2482-ter of the Italian Civil Code

The occurrence of the circumstances set forth in Article 2447, or 2482-ter, as applicable, of the Italian Civil Code in relation to a Carnival Material Group Member incorporated in Italy unless, no later than 30 days from the date on which such Carnival Material Group Member's directors have knowledge of such occurrence, a shareholders' meeting is convened to vote on a resolution approving either: (a) a capital increase to comply with the minimum capital requirements under Italian law (and such capital increase has been fully paid up in the next following 30 days) or (b) in respect of a Carnival Material Group Member which is incorporated as a società per azioni, the transformation of such company into a società a responsabilità limitata.

## 28.12 Tax Status

A notice under Article 36 Tax Collection Act (*Invorderingswet 1990*) has been given by any member of the Carnival Corporation & plc Group.

## 28.13 Acceleration

- (a) If an Event of Default described in Clause (b) (*United States Bankruptcy Laws*) occurs the Total Tranche A Commitments, the Total Tranche B Commitments, the Total Tranche C Commitments and the Total Tranche D Commitments will, if not already cancelled under this Agreement, be immediately and automatically cancelled and all amounts outstanding under the Finance Documents shall become immediately due and payable without notice from the Facilities Agent, without the requirement of notice or any other formality.
- (b) If an Event of Default, other than as described in paragraph (a) above, is outstanding, the Facilities Agent may, and must if so instructed by the Majority Lenders, by notice to the Company:
  - (i) cancel all or any part of the Total Tranche A Commitments, the Total Tranche B Commitments, the Total Tranche C Commitments and/or the Total Tranche D Commitments;
  - (ii) declare that all or part of any amounts outstanding under the Finance Documents are:
    - (A) immediately due and payable; and/or
    - (B) payable on demand by the Facilities Agent acting on the instructions of the Majority Lenders; and/or
  - (iii) declare that full cash cover in respect of each Bond is immediately due and payable whereupon it shall become immediately due and payable.

Any notice given under this Subclause will take effect in accordance with its terms.

## 29. CHANGES TO THE LENDERS

### 29.1 Assignments and transfers by the Lenders

- (a) A Lender (the **Existing Lender**) may, subject to the provisions of this Clause 29, at any time assign or transfer (including by way of novation) any of its rights and obligations under this Agreement to any other bank or financial institution (the **New Lender**) provided that where the

Existing Lender is a Lender under Tranche C and/or a Swingline Lender, such New Lender is able to perform that function or those functions in the same manner as the Existing Lender to the extent of the commitment transferred, and provided that such assignment or transfer shall be of an amount not less than EUR 1,000,000 or equivalent amount.

- (b) The consent of the Company is required for any assignment or transfer unless:
- (i)
- (A) the New Lender is another Lender or an Affiliate of a Lender; and
  - (B) following such assignment or transfer no Borrower would be obliged to pay any greater amount under Clause 18 (*Taxes*), Clause 19 (*Increased Costs*) or any other provision of a Finance Document, in the circumstances existing at the time of such assignment or transfer or which, at the time of such assignment or transfer, the Existing Lender or the New Lender knows will apply in the 12 month period following such assignment or transfer, than would have been payable but for the assignment or transfer; or
- (ii) an Event of Default has occurred and has been outstanding for fifteen Business Days or more,
- provided that, in respect of a Facility extended to a Borrower resident in Italy, the New Lender is resident for tax purposes:
- (A) in one of the countries listed in the Italian Ministerial Decree mentioned by Article 168-bis of Presidential Decree N. 917/86 as amended and supplemented from time to time, including Italy; or
  - (B) in the absence or inapplicability of the decree referred to in sub-clause (A) above, in one of the countries not listed in the Italian Ministerial Decree on 23 January 2002 as amended and supplemented from time to time.
- (c) A Tranche D Lender may not assign or transfer any obligations under an outstanding Bond without the consent of the Company.
- (d) The Company may, at any time, remove or replace any Tranche D Lender (in its capacity as Tranche D Lender) without the consent of the Facilities Agent or any of the other Lenders, by notice to that Tranche D Lender and the Facilities Agent, and (in the case of a replacement) a Lender (or Lenders) with a Tranche A Commitment (other than a Non-Eligible Tranche D Lender) selected by the Company (**Replacement A Lender**). Where the Company is replacing a Tranche D Lender, the notice shall require:
- (i) that Tranche D Lender to (and, to the extent permitted by law, that Tranche D Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under Tranche D to the Replacement A Lender which will assume all the obligations of that Tranche D Lender in relation to its Tranche D Commitment in accordance with Clause 29 (*Changes to the Lenders*); and
  - (ii) the Replacement A Lender to (and, to the extent permitted by law, that Replacement A Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) its rights and obligations under the Tranche A Commitment held by such Replacement A Lender in an amount equal to the Tranche D Lender's Tranche D Commitment (the **Transferring**

**A Commitment**) to the Tranche D Lender which will assume all the obligations of the transferring Replacement A Lender in relation to its Transferring A Commitment in accordance with Clause 29 (*Changes to the Lenders*),

provided that the amount of the Transferring A Commitment shall not be greater than the Replacement A Lender's total Tranche A Commitment less its Swingline Tranche A Commitment.

- (e) The consent of the Company must not be unreasonably withheld or delayed to any request for consent under this Clause 29. It will not be unreasonable for the Company to withhold consent where following an assignment or transfer, a Borrower would be obliged to pay any greater amount under Clause 18 (*Taxes*), Clause 19 (*Increased Costs*) or any other provision of a Finance Document if, in the circumstances existing at the time of such assignment or transfer, such greater amount would not have been payable but for the assignment or transfer or which, at the time of such assignment or transfer, the Existing Lender or the New Lender knows will apply in the 12 month period following such assignment or transfer. The Company will be deemed to have given its consent 10 Business Days after the Company is given notice of the request unless it is expressly refused by the Company within that time.
- (f) A transfer of obligations will be effective only if either:
  - (i) the obligations are novated in accordance with the following provisions of this Clause; or
  - (ii) the New Lender confirms to the Facilities Agent and the Company in form and substance satisfactory to the Facilities Agent that it is bound by the terms of this Agreement as a Lender. On the transfer becoming effective in this manner the Existing Lender will be released from its obligations under this Agreement to the extent that they are transferred to the New Lender.
- (g) Unless the Facilities Agent otherwise agrees, the New Lender must pay to the Facilities Agent, for its own account, on or before the date upon which an assignment or transfer takes effect, a fee of USD3,500.
- (h) Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement.

## **29.2 Procedure for transfer**

- (a) In this Subclause:

**Transfer Date** means, for a Transfer Certificate, the latest of:

- (a) the proposed Transfer Date specified in that Transfer Certificate;
  - (b) the date on which the Facilities Agent executes that Transfer Certificate; and
  - (c) the date on which the consent of the Company, if required under Clause 29.1(b), is obtained or is deemed to have been given.
- (b) A novation is effected if:
    - (i) the Existing Lender and the New Lender deliver to the Facilities Agent a duly completed Transfer Certificate; and

(ii) the Facilities Agent executes it.

The Facilities Agent must execute as soon as reasonably practicable a Transfer Certificate delivered to it and which appears on its face to be in order.

- (c) The Facilities Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender upon its satisfactory completion of all “know your customer” checks that it is required to carry out in relation to the transfer to such New Lender.
- (d) Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Facilities Agent to execute any duly completed Transfer Certificate on its behalf. A Transfer Certificate shall not be duly completed unless any and all consents required under this Agreement have been obtained or deemed obtained.
- (e) On the Transfer Date:
- (i) the New Lender will assume the rights and obligations of the Existing Lender expressed to be the subject of the novation in the Transfer Certificate in substitution for the Existing Lender;
  - (ii) the Existing Lender will be released from those obligations and cease to have those rights; and
  - (iii) the Lenders and the New Lender shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Lenders and the Existing Lender shall each be released from further obligations to each other under this Agreement.
- (f) Each New Lender, by executing the relevant Transfer Certificate, further represents that it is a “professional market party” (*professionele marktpartij*), as that term is used in the Netherlands Financial Supervision Act (*wet op het financieel toezicht*).

### **29.3 Limitation of responsibility of Existing Lenders**

- (a) Unless expressly agreed to the contrary, an Existing Lender is not responsible to a New Lender for the legality, validity, adequacy, accuracy, completeness or performance of:
- (i) any Finance Document or any other document; or
  - (ii) any statement or information (whether written or oral) made in or supplied in connection with any Finance Document, and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
- (i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Finance Documents (including the financial condition and affairs of each Obligor and its related entities and the nature and extent of any recourse against any Party or its assets) in connection with its participation in this Agreement; and

- (ii) has not relied exclusively on any information supplied to it by the Existing Lender in connection with any Finance Document.
- (c) Nothing in any Finance Document requires an Existing Lender to:
  - (i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause; or
  - (ii) support any losses incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under any Finance Document or otherwise.

#### 29.4 Costs resulting from change of Lender or Facility Office

If:

- (a) a Lender assigns or transfers any of its rights and obligations under the Finance Documents or changes its Facility Office; and
- (b) as a result of circumstances existing at the date the assignment, transfer or change occurs, (or which such Lender knows will apply in the following 12 month period) an Obligor would be obliged to pay an amount under Clause 18 (*Taxes*), Clause 19 (*Increased Costs*) or any other provision of a Finance Document,

then, unless the assignment, transfer or change is made by a Lender pursuant to Clause 13.6(d) (*Involuntary prepayment and cancellation and replacement of Lender*) or in order to mitigate any circumstances giving rise to the payment of an amount under Clause 18 (*Taxes*), Clause 19 (*Increased Costs*) or any other provision of a Finance Document or a right to be prepaid and/or cancelled by reason of illegality, the Obligor need only pay that amount under Clause 18 (*Taxes*), Clause 19 (*Increased Costs*) or any other provision of a Finance Document to the same extent that it would have been obliged to if no assignment, transfer or change had occurred, except that this Clause 29.4 shall not apply in relation to Clause 18 (*Taxes*) in the case of a Borrower to which Clauses 18.2 to 18.8 apply, to a Treaty Lender that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (j)(ii)(B) of Clause 18.3 (*Tax gross-up*) if the Obligor making the payment has not made a Borrower DTTP Filing in respect of that Treaty Lender.

#### 29.5 Affiliates of Lenders

- (a) Each Lender may fulfil its obligations in respect of a Loan through an Affiliate if the relevant Affiliate is specified in this Agreement as a Lender or becomes a Lender by means of a Transfer Certificate in accordance with this Agreement.
- (b) If paragraph (a) above applies, the Lender and its Affiliate will be treated as having a single Tranche A Commitment, Tranche B Commitment, Tranche C Commitment and/or Tranche D Commitment, as the case may be, and a single vote, but, for all other purposes, will be treated as separate Lenders.
- (c) A Swingline Lender may only assign or transfer all or any (the **Swingline Commitment Transfer Amount**) of its Swingline Tranche A Commitment, its Swingline Tranche B Commitment or its Swingline Tranche C Commitment to a Lender which is not its Affiliate if it or, where it does not have a Tranche A Commitment, Tranche B Commitment or Tranche C Commitment, its Affiliate, transfers simultaneously to that proposed Lender or that proposed Lender's Affiliate an amount equal to or greater than the Swingline Commitment Transfer Amount of its (or its Affiliate's) Tranche A Commitment, its (or its Affiliate's) Tranche B Commitment or its (or its

Affiliate's) Tranche C Commitment, as the case may be, and in any event in accordance with the other terms of this Clause 29.

#### **29.6 Sub-participation**

A Lender may sub-participate all or any part of its rights and/or obligations under the Finance Documents or enter into any contractual arrangement with any person so that the effect thereof is to give that person an economic or other interest in that Lender's rights and/or obligations under the Finance Documents which is less than a legal or equitable transfer or assignment of those rights and obligations, provided that:

- (a) a Lender may not directly or indirectly transfer its voting rights under the Finance Documents without the consent of the Company (such consent not to be unreasonably withheld or delayed); and
- (b) following such sub-participation, no Borrower would be obliged to pay any greater amount under Clause 18 (*Taxes*), Clause 19 (*Increased Costs*) or any other provision of a Finance Document *in the circumstances existing at the time of such sub-participation or which, at the time of such sub-participation, the Lender knows will apply in the twelve (12) month period following such sub-participation*, by reason of such sub-participation.

#### **29.7 Security over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 29, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender to a federal reserve, central bank or any governmental department or agency, including Her Majesty's Treasury, and except that no such charge, assignment or Security Interest shall:

- (a) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
- (b) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

#### **29.8 Pro rata interest settlement**

If the Facilities Agent has notified the Lenders that it is able to distribute interest payments on a "pro rata basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 29.2 (*Procedure for transfer*) the Transfer Date of which is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (***Accrued Amounts***) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six months, on the next of the dates which falls at six monthly intervals after the first day of that Interest Period); and

- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:
  - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and
  - (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 29.8, have been payable to it on that date, but after deduction of the Accrued Amounts.

## 29.9 The Register

The Facilities Agent, acting solely for this purpose as an agent of the Obligors, shall maintain at one of its offices a copy of each assignment agreement, Transfer Certificate and Increase Confirmation delivered to it and a register (the **Register**) for the recordation of the names and addresses of each Lender and the commitments of and obligations owing to each Lender. The entries in the Register shall be conclusive and each Obligor, the Facilities Agent and each Lender may treat each Person whose name is recorded in the Register as a Lender notwithstanding any notice to the contrary. The Register shall be available for inspection by each Obligor at any reasonable time and from time to time upon reasonable prior notice.

## 29.10 Disclosure of information

- (a) Each Finance Party must keep confidential any information supplied to it by or on behalf of any Obligor in connection with the Finance Documents and any business of any member of the Carnival Corporation & plc Group and must ensure that such information is protected with security measures and a degree of care that would apply to its own confidential information. However, a Finance Party is entitled to disclose information:
  - (i) which is publicly available, other than as a result of a breach by that Finance Party of this Clause 29.10;
  - (ii) in connection with any legal or arbitration proceedings;
  - (iii) if required to do so under any law or regulation;
  - (iv) to a governmental, banking, taxation or other regulatory authority;
  - (v) to its professional advisers, where those professional advisers are bound by obligations of confidentiality in the conduct of their business or owe fiduciary obligations to that Finance Party;
  - (vi) to any of its Affiliates, if any person to whom the information is to be given pursuant to this paragraph (vi) is informed in writing of its confidential nature and that some or all of such information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the information;
  - (vii) to a person to whom or for whose benefit that Finance Party charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to Clause 29.7 (*Security over Lenders' rights*);
  - (viii) to the extent allowed under Clause 29.10(b) below;

- (ix) to another Obligor; or
  - (x) with the agreement of the relevant Obligor.
- (b) A Finance Party may disclose to an Affiliate or any person with whom it may enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement (a **participant**):
- (i) a copy of any Finance Document; and
  - (ii) any information which that Finance Party has acquired under or in connection with any Finance Document.

However, before a participant may receive any confidential information, it must agree with the relevant Finance Party to keep that information confidential on the terms of Clause 29.10(a) above by entering into a Confidentiality Undertaking or a similar undertaking in such other form as the Company shall approve.

- (c) This Clause 29.10 supersedes any previous confidentiality undertaking given by a Finance Party in connection with this Agreement prior to it becoming a Party.
- (d) Each of the Finance Parties acknowledges that some or all of the information provided in connection with the Finance Documents is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any such information for any unlawful purpose.
- (e) Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:
- (i) of the circumstances of any disclosure of confidential information made pursuant to paragraphs (a)(ii) to (a)(iv) of this Clause 29.10 (*Disclosure of information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
  - (ii) upon becoming aware that information has been disclosed in breach of this Clause 29.10 (*Disclosure of information*).
- (f) The obligations in this Clause 29.10 (*Disclosure of information*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 24 months from the earlier of:
- (i) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
  - (ii) the date on which such Finance Party otherwise ceases to be a Finance Party.

#### **29.11 Disclosure to numbering service providers**

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:



- (i) names of Obligors;
- (ii) country of domicile of Obligors;
- (iii) place of incorporation of Obligors;
- (iv) date of this Agreement;
- (v) the names of the Facilities Agent and the Arrangers;
- (vi) date of each amendment and restatement of this Agreement;
- (vii) amount of Total Commitments;
- (viii) currencies of the Facilities;
- (ix) type of Facilities;
- (x) ranking of Facilities;
- (xi) governing law of the Facilities;
- (xii) Termination Date for Facilities;
- (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and
- (xiv) such other information agreed between such Finance Party and the Company,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) The Company represents that none of the information set out in paragraphs (i) to (xiv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Facilities Agent shall notify the Company and the other Finance Parties of:
  - (i) the name of any numbering service provider appointed by the Facilities Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and
  - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

### **30. CHANGES TO THE OBLIGORS**

#### **30.1 Assignments and transfer by the Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents without the prior consent of the Facilities Agent (acting on the instructions of all the Lenders).

### 30.2 Additional Borrowers

- (a) Subject to compliance with the provisions of Clause 25.7 (“*Know your customer*” checks), the Company and/or Carnival plc may request that any of its direct or indirect majority owned Subsidiaries becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:
  - (i) the Company and/or Carnival plc delivers to the Facilities Agent a duly completed and executed Accession Letter;
  - (ii) the Facilities Agent is satisfied (acting reasonably) that the guarantee of the Company or Carnival plc under Clause 23 (*Guarantee and indemnity*) will cover the obligations of its Subsidiary;
  - (iii) the Subsidiary is incorporated in an Approved Jurisdiction;
  - (iv) the Company and/or Carnival plc confirms that no Default is outstanding or would occur as a result of that Subsidiary becoming an Additional Borrower; and
  - (v) the Facilities Agent has received all of the documents and other evidence listed in Part B of Schedule 2 (*Conditions precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Facilities Agent.
- (b) The Facilities Agent shall notify the Company or Carnival plc as appropriate and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part B of Schedule 2 (*Conditions precedent*).
- (c) Delivery of an Accession Letter, duly executed by the relevant Subsidiary and the Company or Carnival plc as appropriate, to the Facilities Agent constitutes confirmation by that Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

### 30.3 Resignation of a Borrower

- (a) The Company or Carnival plc may request that a Borrower (other than the Company or Carnival plc) ceases to be a Borrower by delivering to the Facilities Agent a Resignation Letter.
- (b) The Facilities Agent shall accept a Resignation Letter and notify the Company or Carnival plc, as the case may be, and the Lenders of its acceptance if:
  - (i) no Default is outstanding or would result from the acceptance of the Resignation Letter (and the Company or, as the case may be, Carnival plc has confirmed this is the case in the Resignation Letter); and
  - (ii) no amount owed by that Borrower under the Finance Documents is still outstanding,

whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

- (c) In the event that a Borrower ceases to be a direct or indirect majority owned Subsidiary of the Company and/or Carnival plc, the Company or Carnival plc, as appropriate, will procure that such Borrower repays in full all amounts owed by that Borrower under the Finance Documents and that it ceases to be a Borrower under paragraph (a) above, in each case within ten Business Days of such Borrower ceasing to be a direct or indirect majority Subsidiary of the Company and/or Carnival plc.

### **31. ROLE OF THE FACILITIES AGENT AND THE ARRANGERS**

#### **31.1 Appointment of the Facilities Agent**

- (a) Each other Finance Party appoints the Facilities Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each other Finance Party authorises the Facilities Agent to exercise the rights, powers, authorities and discretions specifically given to the Facilities Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

#### **31.2 Duties of the Facilities Agent**

- (a) The Facilities Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facilities Agent for that Party by any other Party.
- (b) Except where a Finance Document specifically provides otherwise, the Facilities Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (c) If the Facilities Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties and (except where such notice is received from the Company or Carnival plc) the Company or Carnival plc.
- (d) If the Facilities Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facilities Agent or the Arrangers) under this Agreement it shall promptly notify the other Finance Parties and the Company.
- (e) The Facilities Agent shall provide to the Company, within two Business Days of a request by the Company (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, their lending office by each Tranche, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Facilities Agent to that Lender under the Finance Documents.
- (f) The Facilities Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

### 31.3 Role of the Arrangers

Except as specifically provided in the Finance Documents, no Arranger has any obligations of any kind to any other Party under or in connection with any Finance Document.

### 31.4 No fiduciary duties

- (a) Except as specifically provided for in a Finance Document, nothing in the Finance Documents makes the Facilities Agent or the Arrangers a trustee or fiduciary for any other Party or any other person.
- (b) None of Facilities Agent nor any Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

### 31.5 Business with the Carnival Corporation & plc Group

The Facilities Agent and the Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Carnival Corporation & plc Group.

### 31.6 Rights and discretions of the Facilities Agent and each Tranche D Lender

- (a) The Facilities Agent and, without prejudice to Clause 7.2(b) (*Claims under a Bond*), each Tranche D Lender may rely on:
  - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
  - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Facilities Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
  - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 28.1 (*Non-payment*));
  - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
  - (iii) any notice or request made by the Company (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Facilities Agent and each Tranche D Lender providing a Bond may engage, pay for and rely on the advice or services of any lawyers, accountants or other experts.
- (d) The Facilities Agent and each Tranche D Lender providing a Bond may act in relation to the Finance Documents through its personnel and agents.
- (e) The Facilities Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

- (f) Without prejudice to the generality of paragraph (e) above, the Facilities Agent may disclose the identity of a Defaulting Lender to the other Finance Parties and the Company and shall disclose the same upon the written request of the Company or the Majority Lenders.
- (g) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facilities Agent nor any Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

### **31.7 Majority Lenders' instructions**

- (a) Unless a contrary indication appears in a Finance Document, the Facilities Agent shall (a) exercise any right, power, authority or discretion vested in it as Facilities Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Facilities Agent) and (b) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.
- (c) The Facilities Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- (d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Facilities Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (e) The Facilities Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

### **31.8 Responsibility for documentation**

None of the Facilities Agent nor any Arranger:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Facilities Agent, an Arranger, an Obligor or any other person given in or in connection with any Finance Document;
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or
- (c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

### **31.9 Exclusion of liability**

- (a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 34.11 (*Disruption to Payment Systems etc.*)), the Facilities Agent will not be liable

(including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

- (b) No Party (other than the Facilities Agent) may take any proceedings against any officer, employee or agent of the Facilities Agent in respect of any claim it might have against the Facilities Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Facilities Agent may rely on this Clause and enforce its terms under the Third Parties Act.
- (c) The Facilities Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facilities Agent if the Facilities Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Facilities Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Facilities Agent or the Arrangers to carry out any “know your customer” or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Facilities Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facilities Agent or the Arrangers.

### **31.10 Lenders’ indemnity to the Facilities Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facilities Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Facilities Agent (otherwise than by reason of the Facilities Agent’s gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 34.11 (*Disruption to Payment Systems etc.*) notwithstanding the Facilities Agent’s negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facilities Agent) in acting as Facilities Agent under the Finance Documents (unless the Facilities Agent has been reimbursed by an Obligor pursuant to a Finance Document).

### **31.11 Resignation of the Facilities Agent**

- (a) The Facilities Agent may resign and with the prior written consent of the Company (not to be unreasonably withheld or delayed) appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Company.
- (b) Alternatively the Facilities Agent may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders may with the prior written consent of the Company (not to be unreasonably withheld or delayed) appoint a successor Facilities Agent.
- (c) If the Majority Lenders have not appointed a successor Facilities Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Facilities Agent may with the prior written consent of the Company (not to be unreasonably withheld or delayed) appoint a successor Facilities Agent.
- (d) The Facilities Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Facilities Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA

Application Date relating to any payment to the Facilities Agent under the Finance Documents, either:

- (i) the Facilities Agent fails to respond to a request under Clause 18.10(e) (*Taxes*) or 18.27 (*US FATCA Withholding Tax Requirements*) and the Company or a Lender reasonably believes that the Facilities Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
- (ii) the information supplied by the Facilities Agent pursuant to Clause 18.10(e) (*Taxes*) or 18.27 (*US FATCA Withholding Tax Requirements*) indicates that the Facilities Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
- (iii) the Facilities Agent notifies the Company and the Lenders that the Facilities Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Facilities Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Facilities Agent, requires it to resign.

- (e) The retiring Facilities Agent shall, at its own cost, make available to the successor Facilities Agent such documents and records and provide such assistance as the successor Facilities Agent may reasonably request for the purposes of performing its functions as Facilities Agent under the Finance Documents.
- (f) The Facilities Agent's resignation notice shall only take effect upon the appointment of a successor.
- (g) Upon the appointment of a successor, the retiring Facilities Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 31. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

#### **31.12 Replacement of the Facilities Agent**

- (a) The Majority Lenders may with the Company's consent (not to be unreasonably withheld or delayed), by giving 30 days' notice to the Facilities Agent (or, at any time the Facilities Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Facilities Agent by appointing a successor Facilities Agent.
- (b) The retiring Facilities Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Facilities Agent such documents and records and provide such assistance as the successor Facilities Agent may reasonably request for the purposes of performing its functions as Facilities Agent under the Finance Documents.
- (c) The appointment of the successor Facilities Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Facilities Agent. As from this date, the retiring Facilities Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 31 (and any agency fees for

the account of the retiring Facilities Agent shall cease to accrue from (and shall be payable on) that date).

- (d) Any successor Facilities Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

### **31.13 Confidentiality**

- (a) In acting as agent for the Finance Parties, the Facilities Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Facilities Agent, it may be treated as confidential to that division or department and the Facilities Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facilities Agent nor any Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

### **31.14 Relationship with the Lenders**

The Facilities Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

### **31.15 Credit appraisal by the Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Facilities Agent and each Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (i) the financial condition, status and nature of each member of the Carnival Corporation & plc Group;
- (ii) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (iii) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (iv) the adequacy, accuracy and/or completeness of any information provided by the Facilities Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any



other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

### 31.16 Reference Banks

- (a) If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Facilities Agent shall, with the prior written consent of the Company, appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.
- (b) If LIBOR or, if applicable, EURIBOR is to be determined by reference to the Reference Banks, without prejudice to the Facilities Agent's obligations under Clauses 9.6(b) (*Interest*) and 14.4 (*Notification of rates of interest*) to notify the Lenders of the mean rate determined from the rates supplied to it by the Reference Banks, the Facilities Agent must not and no Obligor may (without the consent of the relevant Reference Bank) disclose any details of the rate notified by any Reference Bank to the Facilities Agent for the purpose of determining the applicable LIBOR or EURIBOR (as the case may be).

### 31.17 Deduction from amounts payable by the Facilities Agent

If a Lender owes an amount to the Facilities Agent under the Finance Documents the Facilities Agent may, after giving notice to that Lender, deduct an amount not exceeding that amount from any payment to that Lender which the Facilities Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Lender shall be regarded as having received any amount so deducted.

## 32. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

## 33. SHARING AMONG THE FINANCE PARTIES

### 33.1 Payments to Finance Parties

- (a) Subject to paragraph (b) below, if a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with Clause 34 (*Payment mechanics*) and applies that amount to a payment due under the Finance Documents then:
  - (i) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Facilities Agent;
  - (ii) the Facilities Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facilities Agent and distributed in accordance with Clause

34 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Facilities Agent in relation to the receipt, recovery or distribution; and

- (iii) the Recovering Finance Party shall, within three Business Days of demand by the Facilities Agent, pay to the Facilities Agent an amount (the **Sharing Payment**) equal to such receipt or recovery less any amount which the Facilities Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 34.5 (*Partial payments*).

- (b) Paragraph (a) above shall not apply to any amount received or recovered by a Tranche D Lender in respect of any cash cover placed in an account with that Tranche D Lender.

### **33.2 Redistribution of payments**

The Facilities Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 34.5 (*Partial payments*).

### **33.3 Recovering Finance Party's rights**

- (a) On a distribution by the Facilities Agent under Clause 33.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.
- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

### **33.4 Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 33.2 (*Redistribution of payments*) shall, upon request of the Facilities Agent, pay to the Facilities Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and
- (b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Lender for the amount so reimbursed.

### **33.5 Exceptions**

- (a) This Clause 33 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

- (i) it notified that other Finance Party of the legal or arbitration proceedings; and
- (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

### **33.6 Tranche D Lenders**

- (a) This Clause 33 shall not apply to any receipt or recovery by a Lender in its capacity as a Tranche D Lender in relation to a Bond at any time prior to service of notice under Clause 28.13 (*Acceleration*).
- (b) Following service of notice under Clause 28.13 (*Acceleration*), this Clause 33 shall apply to all receipts or recoveries by Tranche D Lenders.

## **34. PAYMENT MECHANICS**

### **34.1 Payments to the Facilities Agent**

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Facilities Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Facilities Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Facilities Agent specifies by not less than five Business Days' prior written notice.

### **34.2 Distributions by the Facilities Agent**

Each payment received by the Facilities Agent under the Finance Documents for another Party shall, subject to Clause 34.3 (*Distributions to an Obligor*) and Clause 34.4 (*Clawback*) be made available by the Facilities Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facilities Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London).

### **34.3 Distributions to an Obligor**

The Facilities Agent may (with the consent of the Obligor or in accordance with Clause 35 (*Set-off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

### **34.4 Clawback**

- (a) Where a sum is to be paid to the Facilities Agent under the Finance Documents for another Party, the Facilities Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

- (b) If the Facilities Agent pays an amount to another Party and it proves to be the case that the Facilities Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facilities Agent shall on demand refund the same to the Facilities Agent together with interest on that amount from the date of payment to the date of receipt by the Facilities Agent, calculated by the Facilities Agent to reflect its cost of funds.

### 34.5 Impaired Agent

- (a) If, at any time, the Facilities Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Facilities Agent in accordance with Clause 34.1 (*Payments to the Facilities Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank and in relation to which no Insolvency Event has occurred and is outstanding, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 34.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Facilities Agent in accordance with Clause 31.12 (*Replacement of the Facilities Agent*), each Party which has made a payment to a trust account in accordance with this Clause 34.5 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Facilities Agent for distribution in accordance with Clause 34.2 (*Distributions by the Facilities Agent*).

### 34.6 Partial payments

- (a) If the Facilities Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Facilities Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
- (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Facilities Agent and any Tranche D Lender which has issued a Bond under the Finance Documents;
  - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;
  - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement and any amount due but unpaid under Clause 7.3 (*Indemnities*) or Clause 9.4 (*Indemnities*); and
  - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

- (b) The Facilities Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (a)(iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

#### **34.7 No set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

#### **34.8 Business Days**

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

#### **34.9 Currency of account**

- (a) Subject to paragraphs (b) to (e) below, in respect of each Tranche, the Base Currency for that Tranche is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency shall be paid in that other currency.

#### **34.10 Change of currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
  - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facilities Agent (after consultation with the Company); and
  - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facilities Agent (acting reasonably).

- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Facilities Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

#### **34.11 Disruption to Payment Systems etc.**

If either the Facilities Agent determines (in its discretion) that a Disruption Event has occurred or the Facilities Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Facilities Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facilities as the Facilities Agent may deem necessary in the circumstances;
- (b) the Facilities Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Facilities Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Facilities Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 40 (*Amendments and Waivers*);
- (e) the Facilities Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facilities Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 34.11; and
- (f) the Facilities Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

#### **35. SET-OFF**

- (a) If an Event of Default has occurred and is outstanding, a Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (b) The Finance Party shall notify the Company and the relevant Obligor as soon as practicable after any set-off is effected under this Clause giving reasonable details of the amounts and accounts involved.

#### **36. NOTICES**

##### **36.1 Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

### 36.2 Addresses

(a) The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (i) in the case of the Company, that identified with its name in paragraph (b) below;
- (ii) in the case of Carnival plc, that identified with its name in paragraph (c) below;
- (iii) in the case of Costa Crociere S.p.A., that identified with its name in paragraph (d) below;
- (iv) in the case of CC U.S. Ventures, Inc., that identified with its name in paragraph (e) below;
- v) in the case of each Lender, any other Original Obligor or any Additional Borrower, that notified in writing to the Facilities Agent on or prior to the date on which it becomes a Party; and
- (vi) in the case of the Facilities Agent, that identified with its name in paragraph (f) below,

or any substitute address, fax number or department or officer as the Party may notify to the Facilities Agent (or the Facilities Agent may notify to the other Parties, if a change is made by the Facilities Agent) by not less than five Business Days' notice.

(b) The contact details of the Company for this purpose are:

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami, Florida 33178  
Fax number: + 1 305 406 6489  
Attention: Treasurer; and

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami, Florida 33178  
Fax number: +1 305 406 4758  
Attention: General Counsel

(c) The contact details of Carnival plc for this purpose are:

Address: Carnival plc, 5 Gainsford Street, London, SE1 2NE, England  
Fax number: 0207 940 5382  
Tel number: 0207 940 5381  
Attention: Corporation Counsel

(d) The contact details of Costa Crociere S.p.A. for this purpose are:

Address: Costa Crociere S.p.A., Piazza Piccapietra 48, 16121, Genoa, Italy  
Fax number: + 39 010 548 3446  
Attention: Cristina Gado, Treasurer

with a copy to:

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami, Florida 33178  
Fax number: + 1 305 406 6489  
Attention: Treasurer; and

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami, Florida 33178  
Fax number: +1 305 406 4758  
Attention: General Counsel

(e) The contact details of CC U.S. Ventures, Inc. for this purpose are:

Address: c/o Carnival Corporation, 3655 NW 87th Avenue, Miami, Florida 33178  
Fax number: + 1 305 406 6489  
Attention: Treasurer; and

Address: c/o Carnival Corporation, 3655 NW 87th Avenue, Miami, Florida 33178  
Fax number: +1 305 406 4758  
Attention: General Counsel

(f) The contact details of the Facilities Agent for this purpose are:

Bank of America Merrill Lynch International Limited  
Loans Agency Department  
2 King Edward Street  
London EC1A 1HQ

In relation to general credit matters

Attention: Karen Hall, Agency Management Officer  
Telephone Number: +44 (0) 207 996 4509  
Fax Number: +44 (0) 207 174 6122  
E-Mail: karen.hall@baml.com

In relation to administrative matters

Attention: Colin Gotts, Team Leader  
Telephone Number: +44 (0) 208 313 2992  
Fax Number: +44 (0) 208 313 2149  
E-Mail: emea.7115loansagency@bankofamerica.com

### 36.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
- (i) if delivered in person, at the time of delivery;
  - (ii) if by way of fax, when received in legible form; or
  - (iii) if by post, five days after being deposited in the post postage prepaid in an envelope correctly addressed.



- (b) Any communication or document to be made or delivered to the Facilities Agent will be effective only when actually received by the Facilities Agent.
- (c) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- (d) All notices from or to an Obligor shall be sent through the Facilities Agent.
- (e) Any communication or document made or delivered to the Company in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.

#### **36.4 Notification of address and fax number**

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 36.2 (*Addresses*) or changing its own address or fax number, the Facilities Agent shall notify the other Parties.

#### **36.5 Communication when Facilities Agent is Impaired Agent**

If the Facilities Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Facilities Agent, communicate with each other directly and (while the Facilities Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Facilities Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Facilities Agent has been appointed.

#### **36.6 Electronic communication**

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:
  - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Facilities Agent only if it is addressed in such a manner as the Facilities Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, on a non-working day or after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following working day.

#### **36.7 English language**

- (a) Any notice given under or in connection with any Finance Document must be in English.

- (b) All other documents provided under or in connection with any Finance Document must be:
  - (i) in English; or
  - (ii) if not in English, and if so required by the Facilities Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## **37. CALCULATIONS AND CERTIFICATES**

### **37.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

### **37.2 Certificates and Determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates. The Facilities Agent shall provide reasonable details to support such calculation upon the Company's request.

### **37.3 Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days in relation to Sterling or 360 days in relation to any other currency or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

## **38. PARTIAL INVALIDITY**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## **39. REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

## **40. AMENDMENTS AND WAIVERS**

### **40.1 Required consents**

- (a) Subject to Clause 40.2 (*Exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.

- (b) The Facilities Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause.
- (c) Each Obligor (other than the Company, Costa Crociere S.p.A. and any other Obligor incorporated in Italy) agrees to any such amendment or waiver permitted by this Clause 40 which is agreed to by the Company in its capacity as Obligors' Agent. This includes any amendment or waiver which would, but for this Clause 40.1(c), require the consent of both of the Guarantors.

#### **40.2 Exceptions**

- (a) An amendment or waiver that has the effect of changing or which relates to:
  - (i) the definition of Majority Lenders in Clause 1.1 (*Definitions*);
  - (ii) an extension to the date of payment of any amount under the Finance Documents (other than, for the avoidance of doubt, as a result of the operation of Clause 10 (*Extension Option*));
  - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees (other than fronting fees payable pursuant to Clause 17.7 (*Fronting fee and Bonding fee*)) or commission payable;
  - (iv) an increase in or an extension of any Tranche A Commitment, Tranche B Commitment, Tranche C Commitment and/or Tranche D Commitment other than pursuant to Clause 2.2 (*Increase*);
  - (v) a change to the Borrowers or Guarantors other than in accordance with Clause 30 (*Changes to the Obligors*);
  - (vi) any provision which expressly requires the consent of all the Lenders; or
  - (vii) Clause 2.3 (*Finance Parties' rights and obligations*), Clause 29 (*Changes to the Lenders*) or this Clause 40,shall not be made without the prior consent of all the Lenders.
- (b) An amendment or waiver which relates to the rights or obligations of the Facilities Agent or an Arranger when acting in that capacity may not be effected without the consent of the Facilities Agent or the Arrangers.

#### **40.3 Disenfranchisement of Defaulting Lenders**

- (a) For so long as a Defaulting Lender has any Commitment which is undrawn and uncanceled, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitments will be reduced by the amount of its Commitments which are undrawn and uncanceled.
- (b) For the purposes of this Clause 40.3, the Facilities Agent may assume that the following Lenders are Defaulting Lenders:

- (i) any Lender which has notified the Facilities Agent that it has become a Defaulting Lender;
- (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of **Defaulting Lender** has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Facilities Agent) or the Facilities Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

#### 40.4 Replacement of a Defaulting Lender

(a) The Company may, at any time a Lender (or any Affiliates which are Lenders) has become and continues to be a Defaulting Lender, by giving three Business Days' prior written notice to the Facilities Agent and such Lender:

- (i) replace such Lender (and any Affiliates which are Lenders) by requiring such Lender to (and to the extent permitted by law such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement;
- (ii) require such Lender (and any Affiliates which are Lenders) to (and to the extent permitted by law such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of the undrawn Commitments and/or undrawn Swingline Commitments of the Lender (and its Affiliate); or
- (iii) require such Lender (and any Affiliates which are Lenders) to (and to the extent permitted by law such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of the Facilities,

to a Lender or other bank or financial institution (a **Replacement Lender**) selected by the Company, which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and Bond fees, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause shall be subject to the following conditions:

- (i) the Company shall have no right to replace the Facilities Agent;
- (ii) neither the Facilities Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;
- (iii) the transfer must take place no later than 90 days after the notice referred to in paragraph (a) above; and
- (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

## 41. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

## 42. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

## 43. ENFORCEMENT

### 43.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a *Dispute*).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 43.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

### 43.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):
  - (i) irrevocably appoints Carnival plc (and Carnival plc hereby accepts each such appointment) as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
  - (ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

### 43.3 Waiver of Jury Trial

**EACH OF THE PARTIES TO THIS AGREEMENT IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OF THE FINANCE DOCUMENTS. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY THE COURT.**

## 44. USA PATRIOT ACT

Each Finance Party that is subject to the USA Patriot Act hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, such Finance Party is required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Finance Party to identify such Obligor in accordance with the USA Patriot Act. Each Obligor agrees that it will provide each Finance Party with such information as it may require in order for such Finance Party to satisfy the requirements of the USA Patriot Act.

#### 45. TRANSPARENCY RULES

Pursuant to, and in accordance with, the transparency rules (*Disposizioni in materia di trasparenza delle operazioni e dei servizi bancari e finanziari. Correttezza delle relazioni tra intermediari e clienti*) enacted under Article 9.1 of the CICR (Comitato Interministeriale per il Credito e il Risparmio) Resolution of 4 March 2003 effective as of October 2003 and the following transparency rules applicable to transactions and banking and financial services issued by the Bank of Italy on 9 February 2011 and published in the Italian official gazette (*Gazzetta Ufficiale*) on 16 February 2011 (the **Transparency Rules**), the Parties mutually acknowledge and declare that this Agreement and any of its terms and conditions have been negotiated on an individual basis and, as a result, this Agreement falls into the category of the agreements which have been negotiated individually “che costituiscono oggetto di trattativa individuale” which are exempted from the application of Section II of the Transparency Rules.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

## **SCHEDULE 1**

### **THE PARTIES**

#### **Part A The Borrowers**

Name of Subsidiaries of the Company and Carnival plc

- 1 Costa Crociere S.p.A. (a company organised and existing under the laws of Italy as a *società per azioni*, with a share capital equal to Euro 344,314,467.00, having its registered office in Genoa (Italy), Piazza Piccapietra 48, registered with the Companies' Register (*Registro delle Imprese*) of Genoa under no. 02545900108, *Repertorio Economico Amministrativo* no. GE-279842)
- 2 CC U.S. Ventures, Inc. (a corporation incorporated and existing under the laws of the State of Delaware, United States of America)

**Part B**  
**The Lenders - Loan Commitments**

(a) Tranche A Commitment

Name of Lender	Amount (USD)	Non-Eligible Tranche D Lender	Treaty Passport Number and jurisdiction of tax residence (if applicable)
Bank of America, N.A.	46,300,000	No	N/A
Barclays Bank PLC	50,400,000	No	N/A
BNP Paribas	46,300,000	No	005/B/0255139/DTTP Jurisdiction of tax residence France
Citibank, N.A., London Branch	50,400,000	No	N/A
Goldman Sachs Bank USA	141,700,000	Yes	N/A except in respect of a loan to a UK Borrower 13/G/0351779/DTTP Jurisdiction of tax residence USA
Intesa Sanpaolo S.p.A.	82,050,000	No	N/A
JPMorgan Chase Bank N.A.	46,300,000	No	13/M/0268710/DTTP Jurisdiction of tax residence USA
Lloyds Bank plc	94,000,000	No	N/A
Mizuho Bank, Ltd.	50,400,000	No	N/A
The Royal Bank of Scotland plc	46,300,000	No	N/A
PNC Bank, National Association	85,700,000	No	13/P/63904/DTTP Jurisdiction of tax residence is USA
Royal Bank of Canada	51,550,000	No	N/A
Société Générale	51,550,000	No	5/S/70085/DTTP Jurisdiction of tax residence is France
US Bank National Association	102,000,000	No	13/U/62184/DTTP Jurisdiction of tax residence is USA
Wells Fargo Bank, National Association	89,800,000	No	13/W/61173/DTTP Jurisdiction of tax residence is USA
Australia and New Zealand Banking Group Limited	51,575,000	No	N/A
Branch Banking & Trust (BB&T)	61,200,000	No	13/B/357522/DTTP
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	30,825,000	No	43/B322072/DTTP Country of residence: Japan
Deutsche Bank AG, London Branch	52,000,000	No	N/A
HSBC Bank plc	30,825,000	No	N/A
Santander Bank, N.A.	30,825,000	No	13/S/357603/DTTP





Sumitomo Mitsui Banking Corporation	56,000,000	No	43/S/274647/DTTP Jurisdiction of tax residence is Japan
UBS AG, London Branch	52,000,000	Yes	N/A
<b>Total 1,400,000,000</b>			

## (b) Tranche B Commitment

<b>Name of Lender</b>	<b>Amount (Sterling)</b>	<b>Treaty Passport Number and jurisdiction of tax residence (if applicable)</b>
Bank of America, N.A.	8,200,000	N/A
Barclays Bank PLC	5,750,000	N/A
BNP Paribas	8,200,000	005/B/0255139/DTTP Jurisdiction of tax residence France
Citibank, N.A., London Branch	5,750,000	N/A
Goldman Sachs Bank USA	12,850,000	13/G/0351779/DTTP Jurisdiction of tax residence USA
Intesa Sanpaolo S.p.A.	9,250,000	N/A
JPMorgan Chase Bank N.A.	8,200,000	13/M/0268710/DTTP Jurisdiction of tax residence USA
Lloyds Bank plc	18,950,000	N/A
Mizuho Bank, Ltd.	5,750,000	N/A
The Royal Bank of Scotland plc	8,200,000	N/A
PNC Bank, National Association	9,750,000	13/P/63904/DTTP Jurisdiction of tax residence is USA
Royal Bank of Canada	5,750,000	N/A
Société Générale	5,750,000	5/S/70085/DTTP Jurisdiction of tax residence is France
Wells Fargo Bank, National Association	7,300,000	13/W/61173/DTTP Jurisdiction of tax residence is USA
Australia and New Zealand Banking Group Limited	5,750,000	N/A
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,500,000	43/B322072/DTTP Country of residence: Japan
Deutsche Bank AG, London Branch	5,500,000	N/A
HSBC Bank plc	3,500,000	N/A
Santander Bank, N.A.	3,500,000	13/S/357603/DTTP
Sumitomo Mitsui Banking Corporation	3,100,000	43/S/274647/DTTP Jurisdiction of tax residence is Japan
UBS AG, London Branch	5,500,000	N/A
	<b>Total</b>	
	<b>150,000,000</b>	

## (c) Tranche C Commitment

<b>Name of Lender</b>	<b>Amount (euro)</b>	<b>Treaty Passport Number and jurisdiction of tax residence (if applicable)</b>
Bank of America, N.A.	48,250,000	N/A
Barclays Bank PLC	48,250,000	N/A
Banca Nazionale del Lavoro Spa	48,250,000	N/A
Citibank, N.A., Milan Branch	48,250,000	N/A
Intesa Sanpaolo S.p.A.	48,250,000	N/A
JPMorgan Chase Bank N.A.	48,250,000	13/M/0268710/DTTP Jurisdiction of tax residence USA
Mizuho Bank, Ltd.	48,250,000	N/A
The Royal Bank of Scotland plc	48,250,000	N/A
Royal Bank of Canada	30,000,000	N/A
Société Générale	30,000,000	5/S/70085/DTTP Jurisdiction of tax residence is France
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	18,000,000	43/B322072/DTTP Country of residence: Japan
HSBC Bank plc	18,000,000	N/A
Santander Bank, N.A.	18,000,000	13/S/357603/DTTP
	<b>Total</b>	
	<b>500,000,000</b>	

(d) Tranche D Commitment

<b>Name of Lender</b>	<b>Amount (USD)</b>	<b>Treaty Passport Number and jurisdiction of tax residence (if applicable)</b>
Bank of America, N.A.	37,500,000	N/A
Barclays Bank PLC	37,500,000	N/A
BNP Paribas	37,500,000	005/B/0255139/DTTP Jurisdiction of tax residence France
Citibank, N.A., London Branch	37,500,000	N/A
JPMorgan Chase Bank N.A.	37,500,000	13/M/0268710/DTTP Jurisdiction of tax residence USA
Lloyds Bank plc	37,500,000	N/A
Mizuho Bank, Ltd.	37,500,000	N/A
The Royal Bank of Scotland plc	37,500,000	N/A
	<b>Total</b>	
	<b>300,000,000</b>	

**Part C**  
**The Swingline Lenders - Swingline Loan Commitments**

(a) Swingline Tranche A Commitment

Name of Swingline Lender	Amount (USD)	Treaty Passport Number and jurisdiction of tax residence (if applicable)
Bank of America, N.A.	25,837,053.58	N/A
Barclays Bank PLC	28,125,000.00	N/A
BNP Paribas	25,837,053.58	005/B/0255139/DTTP Jurisdiction of tax residence France
Citibank, N.A., London Branch	28,125,000.00	N/A
Goldman Sachs Bank USA	79,073,660.71	N/A except in respect of a loan to a UK Borrower 13/G/0351779/DTTP Jurisdiction of tax residence USA
Intesa Sanpaolo S.p.A.	45,786,830.36	N/A
JPMorgan Chase Bank N.A.	25,837,053.58	13/M/0268710/DTTP Jurisdiction of tax residence USA
Lloyds Bank plc	52,455,357.14	N/A
Mizuho Bank, Ltd.	28,125,000.00	N/A
The Royal Bank of Scotland plc	25,837,053.58	N/A
PNC Bank, National Association	47,823,660.71	13/P/63904/DTTP Jurisdiction of tax residence is USA
Royal Bank of Canada	28,766,741.07	N/A
Société Générale	28,766,741.07	5/S/70085/DTTP Jurisdiction of tax residence is France
US Bank National Association	56,919,642.86	13/U/62184/DTTP Jurisdiction of tax residence is USA
Wells Fargo Bank, National Association	50,111,607.14	13/W/61173/DTTP Jurisdiction of tax residence is USA
Australia and New Zealand Banking Group Limited	28,780,691.96	2/A/204986/DTTP Jurisdiction of tax residence is Australia

Branch Banking & Trust (BB&T)	34,151,785.71	13/B/357522/DTTP
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	17,201,450.89	43/B322072/DTTP Country of residence: Japan
Deutsche Bank AG, New York Branch	29,017,857.14	N/A except where lending to a UK Borrower.  7/D/70006/DTTP Jurisdiction of tax residence is Germany
HSBC Bank plc	17,201,450.89	N/A
Santander Bank, N.A.	17,201,450.89	13/S/357603/DTTP
UBS AG, Stamford Branch	29,017,857.14	06/U/00582/DTTP
	<b>Total</b>	
	<b>750,000,000</b>	

## (b) Swingline Tranche B Commitment

Name of Swingline Lender	Amount (Sterling)	Treaty Passport Number and jurisdiction of tax residence (if applicable)
Bank of America, N.A.	8,086,785.01	N/A
Barclays Bank PLC	5,670,611.44	N/A
BNP Paribas	8,086,785.01	005/B/0255139/DTTP Jurisdiction of tax residence France
Citibank, N.A., London Branch	5,670,611.44	N/A
Intesa Sanpaolo S.p.A.	9,122,287.97	N/A
JPMorgan Chase Bank N.A.	8,086,785.01	13/M/0268710/DTTP Jurisdiction of tax residence USA
Lloyds Bank plc	18,688,362.92	N/A
Mizuho Bank, Ltd.	5,670,611.44	N/A
The Royal Bank of Scotland plc	8,086,785.01	N/A
PNC Bank, National Association	9,615,384.62	13/P/63904/DTTP Jurisdiction of tax residence is USA
Royal Bank of Canada	5,670,611.44	N/A
Société Générale	5,670,611.44	5/S/70085/DTTP Jurisdiction of tax residence is France
Australia and New Zealand Banking Group Limited	5,670,611.44	N/A
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,451,676.53	43/B322072/DTTP Country of residence: Japan
Deutsche Bank AG, London Branch	5,424,063.12	N/A
HSBC Bank plc	3,451,676.52	N/A
Santander Bank, N.A.	3,451,676.52	13/S/357603/DTTP
UBS AG, London Branch	5,424,063.12	N/A
	<b>125,000,000</b>	



## (c) Swingline Tranche C Commitment

<b>Name of Swingline Lender</b>	<b>Amount (euro)</b>	<b>Treaty Passport Number and jurisdiction of tax residence (if applicable)</b>
Bank of America, N.A.	33,775,000.00	N/A
Barclays Bank PLC	33,775,000.00	N/A
Banca Nazionale del Lavoro Spa	33,775,000.00	N/A
Citibank, N.A., Milan Branch	33,775,000.00	N/A
Intesa Sanpaolo S.p.A.	33,775,000.00	N/A
JPMorgan Chase Bank N.A.	33,775,000.00	13/M/0268710/DTTP Jurisdiction of tax residence USA
Mizuho Bank, Ltd.	33,775,000.00	N/A
The Royal Bank of Scotland plc	33,775,000.00	N/A
Royal Bank of Canada	21,000,000.00	N/A
Société Générale	21,000,000.00	5/S/70085/DTTP Jurisdiction of tax residence is France
The Bank of Tokyo-Mitsubishi UFJ. Ltd.	12,600,000.00	43/B322072/DTTP Country of residence: Japan
HSBC Bank plc	12,600,000.00	N/A
Santander Bank, N.A.	12,600,000.00	13/S/357603/DTTP
	<b>Total 350,000,000</b>	

## SCHEDULE 2

### CONDITIONS PRECEDENT

#### Part A

#### Conditions precedent to initial Utilisation

##### Original Obligors

1. A copy of the constitutional documents of each Original Obligor which, in respect of an Original Obligor incorporated in The Netherlands, shall consist of the deed of incorporation (*oprichtingsakte*) being the articles of association (*statuten*) and an up-to-date extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of such Original Obligor.
2. A copy of a resolution of the board of directors of each Original Obligor (and, if required by its existing by-laws, a copy of the resolution of the shareholders' meeting of Costa Crociere S.p.A.), approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and, in respect of an Original Obligor incorporated in The Netherlands, confirming whether a works council (*ondernemingsraad*) is in place.
3. A specimen of the signature of each person who executes the Finance Documents and who is authorised on behalf of an Original Obligor to execute or witness the execution of any Finance Document or to sign or send any document or notice in connection with any Finance Document.
4. A copy of a resolution of the general meeting of shareholders of each Dutch Obligor:
  - (a) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is (or will become) a party; and
  - (b) to the extent there is a conflict of interest (*tegenstrijdig belang*) between the member(s) of its managing board and the Dutch Obligor in respect of any of the Finance Documents or any of the transactions contemplated therein, in each case in the broadest sense, each member of the managing board is designated and appointed, in accordance with Article 2:256 of the Dutch Civil Code, as special representative of the Dutch Obligor with the power to represent the Dutch Obligor acting alone.
5. A certificate of an authorised signatory of the Company:
  - (a) confirming that utilising or (with respect to the Company and Carnival plc) guaranteeing the Total Tranche A Commitments, the Total Tranche B Commitments and the Total Tranche C Commitments (or, in the case of Costa Crociere S.p.A., utilising the Total Tranche C Commitments) in full would not breach any limit binding on any Original Obligor;
  - (b) certifying that each copy document specified in Part A of this Schedule is correct, complete and in full force and effect as at a date no earlier than the Signing Date; and
  - (c) confirming which companies are Material Subsidiaries and providing reasonable details of the calculations used to make such determinations.
6. A copy of a good standing certificate with respect to each US Borrower, issued as of a recent date by the Secretary of State or other appropriate official of each US Borrower's jurisdiction of incorporation or organisation.

7. A certificate of registration (*certificato di iscrizione*) of Costa Crociere S.p.A. with the relevant Companies' Register dated not earlier than five Business Days prior to the execution of this Agreement, confirming that no insolvency procedures have been started in relation to Costa Crociere S.p.A.

8. If the Original Obligor is incorporated in The Netherlands:

(a) to the extent a works council (*ondernemingsraad*) is established and to the extent any rights to consult (*in de gelegenheid stellen tot advies uitbrengen*) the works council or for the works council to approve (*instemming met*) are triggered under the Dutch Works Council Act, a copy of:

(i) the request for advice from such works council; and

(ii) (A) an unconditional positive advice from such works council; or (B) advice from such works council which is not negative and does not contain any condition which, if complied with, would result in a breach of any of the Finance Documents or which conditions are not reasonably feasible to be met; or (C) a waiver to advise (*afzien van advies*) issued by such a works council; and

(b) such evidence as may be requested by the Facilities Agent in reasonable time before the Utilisation Date to enable the Finance Parties to comply with *Wet ter voorkoming van witwassen en het financieren van terrorisme*.

### **Legal opinions**

9. A legal opinion of Allen & Overy LLP, London office, English law legal advisers to the Arrangers and the Facilities Agent, addressed to the Finance Parties.

10. A legal opinion of Allen & Overy LLP, Amsterdam office, Dutch law legal advisers, addressed to the Finance Parties.

11. A legal opinion of Tapia, Linares y Alfaro Attorneys At Law, Panama law legal advisers, addressed to the Finance Parties.

12. A legal opinion of Allen & Overy LLP, New York office, New York state law legal advisers, addressed to the Finance Parties.

13. A legal opinion of Morris James LLP, Delaware state law legal advisers, addressed to the Finance Parties.

14. A legal opinion of Allen & Overy LLP, Milan office, Italian law legal advisers, addressed to the Finance Parties.

### **Other documents and evidence**

15. The duly executed Finance Documents (other than any of the Utilisation Requests).

16. Certified copy of the Original Financial Statements.

17. Certified copy of the DLC Documents.

18. Evidence that the fees, costs and expenses then due from the Company pursuant to Clause 17 (*Fees*) and Clause 22 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.

19. Evidence of prepayment and cancellation in full on or prior to the date of this Agreement of the Company's USD1.2billion, €400m and £200m revolving credit agreement dated 21 October 2005 as amended from time to time.

**Part B**  
**Conditions precedent required to be delivered by an Additional Borrower**

**Additional Borrowers**

1. An Accession Letter, duly executed by the Additional Borrower and the Company or Carnival plc.
2. A copy of the constitutional documents of the Additional Borrower which, in respect of an Additional Borrower incorporated in The Netherlands, shall consist of a copy of the articles of association (*statuten*), the deed of incorporation (*oprichtingsakte*) and extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of such Additional Borrower.
3. A copy of a resolution of the board of directors of the Additional Borrower (and, if such Additional Borrower is incorporated in Italy and it is required by its existing by-laws, a copy of the resolution of the shareholders' meeting of such Additional Borrower) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents to which it is a party and, in respect of an Additional Borrower incorporated in The Netherlands, including (i) a declaration by each managing director on conflict of interest (*tegenstrijdig belang*) within the meaning of Article 2:129(6)/ 2:239(6) of the Dutch Civil Code and (ii) a confirmation whether a works council (*ondernemingsraad*) is in place.
4. To the extent required, a copy of a resolution of the general meeting of shareholders of each Additional Borrower incorporated in The Netherlands approving the terms of, and the transactions contemplated by, the Finance Documents to which it is (or will become) a party.
5. To the extent applicable, in respect of each Additional Borrower incorporated in The Netherlands, a copy of a resolution of the supervisory board of the Dutch Obligor approving the terms of, and the transactions contemplated by, the Accession Agreement and the Finance Documents and including a statement by each member of the supervisory board on conflict of interest (*tegenstrijdig belang*) within the meaning of Article 2:140(5)/2:250(5) of the Dutch Civil Code.
6. A specimen of the signature of each person who executes the Accession Letter and is authorised on behalf of the Additional Borrower to execute or witness the execution of any Finance Document or to sign or send any document or notice in connection with any Finance Document.
7. A certificate of an authorised signatory of the Additional Borrower:
  - (a) confirming that utilising the Total Tranche A Commitments, the Total Tranche B Commitments, the Total Tranche C Commitments and the Total Tranche D Commitments (or, in the case of an Additional Borrower resident in Italy, utilising the Total Tranche C Commitments) in full would not breach any limit binding on it; and
  - (b) certifying that each copy document specified in Part B of this Schedule is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.
8. If the proposed Additional Borrower is incorporated in Italy, a certificate of registration (*certificato di iscrizione*) of such Additional Borrower with the relevant Companies' Register dated not earlier than five Business Days prior to the execution of the relevant Accession Letter, confirming that no insolvency procedures have been started in relation to such Additional Borrower.
9. If the proposed Additional Borrower is incorporated in The Netherlands:
  - (a) to the extent a works council (*ondernemingsraad*) is established and to the extent any rights to consult (*in de gelegenheid stellen tot advies uitbrengen*) the works council or for the works

council to approve (*instemming met*) are triggered under the Dutch Works Council Act, a copy of:

- (i) the request for advice from such works council; and
- (ii) (A) an unconditional positive advice from such works council; or (B) advice from such works council which is not negative and does not contain any condition which, if complied with, would result in a breach of any of the Finance Documents or which conditions are not reasonably feasible to be met; or (C) a waiver to advise (*afzien van advies*) issued by such a works council; and

- (b) such evidence as may be requested by the Facilities Agent in reasonable time before the Utilisation Date to enable the Finance Parties to comply with *Wet ter voorkoming van witwassen en het financieren van terrorisme*.

### **Legal opinions**

- 10. A legal opinion of Allen & Overy LLP, London office, English law legal advisers to the Facilities Agent, addressed to the Finance Parties.
- 11. If the Additional Borrower is incorporated in a jurisdiction other than England and Wales, a legal opinion from legal advisers in that jurisdiction, addressed to the Finance Parties.

### **Other documents and evidence**

- 12. A copy of any other authorisation or other document, opinion or assurance which the Facilities Agent has notified the Company is necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.

SCHEDULE 3

UTILISATION REQUEST

Part A  
Loans

From: [Borrower]  
To: [●] (*Facilities Agent*)  
Dated: [●]

Dear Sirs

**CARNIVAL CORPORATION AND CARNIVAL PLC – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the *Agreement*)**

1. We refer to the Agreement. This is a Loan Utilisation Request. Terms defined in the Agreement have the same meaning in this Loan Utilisation Request unless given a different meaning in this Loan Utilisation Request.
2. We wish to borrow a Loan on the following terms:  

Tranche:	[A/B/C/D]
Proposed Utilisation Date:	[●] (or, if that is not a Business Day, the next Business Day)
Currency of Loan:	[●]
Amount:	[●] or, if less, the Available Facility for the Tranche indicated above
Interest Period:	[●]
3. We confirm that each condition specified in Clause 5.4(a) (*Lenders' participation*) is satisfied on the date of this Loan Utilisation Request.
4. The proceeds of this Loan should be credited to ● [account].
5. This Loan Utilisation Request is irrevocable.

Yours faithfully

.....  
authorised signatory for  
[name of relevant Borrower]

**Part B  
Bonds**

From: [Borrower]  
To: [Tranche D Lender]  
Copied to: [●] (*Facilities Agent*)  
Dated: [●]

Dear Sirs

**CARNIVAL CORPORATION AND CARNIVAL PLC – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the *Agreement*)**

1. We refer to the Agreement. This is a Bond Utilisation Request. Terms defined in the Agreement have the same meaning in this Bond Utilisation Request unless given a different meaning in this Bond Utilisation Request.

2. We wish to arrange for a Bond to be issued by the relevant Tranche D Lender on the following terms:

Lender: [●]

Tranche: D

Proposed Utilisation Date:[●] (or, if that is not a Business Day, the next Business Day)

Currency of Bond: [●]

Amount: [●] or, if less, the lesser of the Available Tranche D Facility and the Available Bond Facility

Beneficiary: [●]

Account Party: [●]

Term or Expiry Date: [●]

3. [We confirm that each condition specified in Clause 6.7 (*Issue of Bonds*) is satisfied on the date of this Bond Utilisation Request.]/[This is a Renewal Request and we confirm each condition specified in Clause 6.7 (*Issue of Bonds*) (other than the conditions set out in Clauses 6.4(a), 6.4(b) and 6.4(g)) is satisfied on the date of this Bond Utilisation Request.]

4. We attach a copy of the proposed Bond.

5. This Bond Utilisation Request is irrevocable.

Delivery Instructions:

[specify delivery instructions]

Yours faithfully



.....  
authorised signatory for  
[name of relevant Borrower]

**Part C**  
**Swingline Loan**

From: [Borrower]  
To: [●] (*Facilities Agent*)  
Dated: [●]

Dear Sirs

**CARNIVAL CORPORATION AND CARNIVAL PLC – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the Agreement)**

1. We refer to the Agreement. This is a Swingline Loan Utilisation Request. Terms defined in the Agreement have the same meaning in this Swingline Loan Utilisation Request unless given a different meaning in this Swingline Loan Utilisation Request.

2. We wish to borrow a Swingline Loan on the following terms:

Tranche [A/B/C]  
Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)  
Currency of Swingline Loan: [USD/£/€]  
Amount: [●] or, if less, the Available Swingline [Tranche A/Tranche B/Tranche C] Facility  
Interest Period: [●]

3. We confirm that each condition specified in Clause 8.5 (*Swingline Lenders' participation*) is satisfied on the date of this Swingline Loan Utilisation Request.

4. The proceeds of this Swingline Loan should be credited to [account].

5. This Swingline Loan Utilisation Request is irrevocable.

Yours faithfully

.....  
authorised signatory for  
[name of relevant Borrower]

## SCHEDULE 4

### FORM OF TRANSFER CERTIFICATE

To: [●] as Facilities Agent

[Copied to: The Company]

From: [The Existing Lender] (the *Existing Lender*) and [The New Lender] (the *New Lender*)

Dated: [●]

**CARNIVAL CORPORATION AND CARNIVAL PLC – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the *Agreement*)**

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2. We refer to Clause 29.2 (*Procedure for transfer*):

(a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with Clause 29.2 (*Procedure for transfer*).

(b) The proposed Transfer Date is [●].

(c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 36.2 (*Addresses*) are set out in the Schedule.

3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in of Clause 29.3 (*Limitation of responsibility of Existing Lenders*).

4. [The New Lender confirms, for the benefit of the Facilities Agent and without liability to any Obligor, that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is a Qualifying Lender as defined in Clause[s] [insert appropriate references from Clause 18 (*Taxes*)] *except for Clauses 18.2 to 18.8 which are dealt with directly below*, and for the purposes of Clause 18.6 the New Lender confirms, for the benefit of the Facilities Agent and without liability to any Obligor, that it is:

(a) [a Qualifying Lender (other than a Treaty Lender);]

(b) [a Treaty Lender;]

(c) [not a Qualifying Lender.]

5. [The Existing Lender and the New Lender each confirm, for the benefit of the Facilities Agent and without liability to any Obligor, that following the transfer, no Obligor will be obliged to pay any greater amount under Clause 18 (*Taxes*) or Clause 19.1 (*Increased Costs*) of the Agreement or under any other provision of a Finance Document (in the circumstances (i) existing on the Transfer Date, or (ii) which the Existing Lender or the New Lender knows will apply in the twelve (12) month period following the Transfer Date) than the amounts which would have been payable but for the transfer;]

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<sup>1</sup> Include if the New Lender includes a Treaty Passport Scheme notification in paragraph 7. To be provided to the Company within 7 days.

6. [The New Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

- (a) a company resident in the United Kingdom for United Kingdom tax purposes;
- (b) a partnership each member of which is:
  - (i) a company so resident in the United Kingdom; or
  - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of CTA 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of CTA 2009; or
- (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of CTA 2009) of that company.]

[7 The New Lender confirms that it holds a passport under HMRC DT Treaty Passport scheme (reference number is [ ] and it is tax resident in [ ]), and, accordingly, interest payable to it by borrowers is generally subject to full exemption from UK withholding tax and requests that the Company notify:

- (d) each Borrower which is a Party as a Borrower as at the Transfer Date; and
- (e) each Additional Borrower which becomes an Additional Borrower after the Transfer Date,

that it wishes that scheme to apply to the Agreement where such Borrower is a Borrower to which Clauses 18.2 to 18.8 apply.]

[6/7] The New Lender represents that it is a “professional market party” (*professionele marktpartij*), as that term is used in the Netherlands Financial Supervision Act (*wet op het financieel toezicht*).

[7/8] The New Lender confirms that [it is]/[it is not] a Non-Eligible Tranche D Lender.

[8/9] This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

[9/10] This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

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<sup>2</sup> Include only if the New Lender is a U.K. Non-Bank Lender.

<sup>3</sup> Include only if the New Lender is a Treaty Passport holder required to notify under Clause 18.

<sup>4</sup> Include only in relation to Tranche A Commitments.

**The Schedule**

**Commitment/rights and obligations to be transferred**

*[insert relevant details]*

*[Facility Office address, fax number and attention details for notices and account details for payments,]*

[Existing Lender] [New Lender]

By: By:

Pursuant to Clause 29.1(b), the Company consents to the transfer set out in this Transfer Certificate on [●].

Carnival Corporation

By:

This Transfer Certificate is accepted by the Facilities Agent and the Transfer Date is confirmed as [●].

*[Facilities Agent]*

By:

**SCHEDULE 5**

**FORM OF ACCESSION LETTER**

To: [●] as *Facilities Agent*  
From: [Subsidiary] and CARNIVAL CORPORATION/CARNIVAL PLC  
Dated: [●]

Dear Sirs

**CARNIVAL CORPORATION AND CARNIVAL PLC – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the Agreement)**

1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
2. [Subsidiary] agrees to become an Additional Borrower and to be bound by the terms of the Agreement as an Additional Borrower pursuant to Clause 30.2 (*Additional Borrowers*) of the Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction].
3. [Subsidiary's] administrative details are as follows:  
Address:  
Fax No:  
Attention:
4. This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

CARNIVAL CORPORATION

[Subsidiary]

CARNIVAL PLC

**SCHEDULE 6**

**FORM OF RESIGNATION LETTER**

To: [●] as *Facilities Agent*

From: [resigning Borrower] and CARNIVAL CORPORATION/CARNIVAL PLC

Dated: [●]

Dear Sirs

**CARNIVAL CORPORATION AND CARNIVAL PLC – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the Agreement)**

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to Clause 30.3 (*Resignation of a Borrower*), we request that [resigning Borrower] be released from its obligations as a Borrower under the Agreement.
3. We confirm that:
  - (a) no Default is outstanding or would result from the acceptance of this request; and
  - (b) as at the date of this request no amount owed by [resigning Borrower] under the Agreement is outstanding.
4. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

CARNIVAL CORPORATION

[Subsidiary]

By:

By:

CARNIVAL PLC

By:

SCHEDULE 7

FORM OF COMPLIANCE CERTIFICATE

To: [●] as *Facilities Agent*  
From: CARNIVAL CORPORATION  
Dated: [●]

Dear Sirs

**CARNIVAL CORPORATION AND CARNIVAL PLC – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the Agreement)**

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that as at as at [relevant testing date]:
  - (a) Issued Capital and Consolidated Reserves was [ ];
  - (b) The aggregate of Borrowed Moneys was [ ]; and Consolidated Capital was [ ]; therefore the aggregate of Borrowed Moneys as a percentage of Consolidated Capital was [ ].
  - (c) EBITDA was [ ] and Consolidated Net Interest Charges was [ ]; therefore the ratio of EBITDA to Consolidated Net Interest Charges was [ ] to 1.
3. We set out below calculations establishing the figures in paragraph 2 above:  
[ ].
4. [We confirm that no Default is outstanding as at [relevant testing date]\*\*]

Signed: .....

Senior Financial Officer  
of  
CARNIVAL CORPORATION

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\* If this statement cannot be made, the certificate should identify any Default that is outstanding and the steps, if any, being taken to remedy it.

**SCHEDULE 8**

**FORM OF CONFIDENTIALITY UNDERTAKING**

To: [Transferring Lender]

**Re: CARNIVAL CORPORATION – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the Agreement)**

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**Carnival Plc. and Carnival Corporation (the Company)**

**Amount:**

**Facilities Agent:**

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Dear Sirs

We are considering acquiring an interest in the Agreement which, subject to the Agreement, may be by way of novation, assignment, the entering into, whether directly or indirectly, of a sub-participation or any other transaction under which payments are to be made or may be made by reference to one or more Finance Documents and/or one or more Obligors or by way of investing in or otherwise financing, directly or indirectly, any such novation, assignment, sub-participation or other transaction (the **Acquisition**). In consideration of you agreeing to make available to us certain information, by our signature of this letter we agree as follows (acknowledged and agreed by you by your signature of a copy of this letter):

**1. CONFIDENTIALITY UNDERTAKING**

We undertake (a) to keep all Confidential Information confidential and not to disclose it to anyone save to the extent permitted by paragraph 2 below and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to our own confidential information and (b) until the Acquisition is completed to use the Confidential Information only for the Permitted Purpose.

**2. PERMITTED DISCLOSURE**

You agree that we may disclose:

- (a) to any of our Affiliates and any of our or their officers, directors, employees, professional advisers and auditors such Confidential Information as we shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph 2(a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) subject to the requirements of the Agreement, to any person:
  - (i) to (or through) whom we assign or transfer (or may potentially assign or transfer) all or any of our rights and/or obligations which we may acquire under the Agreement such Confidential Information as we shall consider appropriate if the person to whom the Confidential Information is to be given pursuant to this sub-paragraph (i) of paragraph 2(b) has delivered a letter to us in equivalent form to this letter;



- (ii) with (or through) whom we enter into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to the Agreement or any Obligor such Confidential Information as we shall consider appropriate if the person to whom the Confidential Information is to be given pursuant to this sub-paragraph (ii) of paragraph 2(b) has delivered a letter to us in equivalent form to this letter;
  - (iii) to whom information is required or requested to be disclosed by any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation such Confidential Information as we shall consider appropriate; and
- (c) notwithstanding paragraphs 2(a) and 2(b). above, Confidential Information to such persons to whom, and on the same terms as, a Finance Party is permitted to disclose Confidential Information under the Agreement, as if such permissions were set out in full in this letter and as if references in those permissions to Finance Party were references to us.

### **3. NOTIFICATION OF DISCLOSURE**

We agree (to the extent permitted by law and regulation) to inform you:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (iii) of paragraph 2(b) above except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this letter.

### **4. RETURN OF COPIES**

If we do not enter into the Acquisition and you so request in writing, we shall return all Confidential Information supplied by you to us and destroy or permanently erase (to the extent technically practicable) all copies of Confidential Information made by us and use our reasonable endeavours to ensure that anyone to whom we have supplied any Confidential Information destroys or permanently erases (to the extent technically practicable) such Confidential Information and any copies made by them, in each case save to the extent that we or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 2(b)(iii) above.

### **5. CONTINUING OBLIGATIONS**

The obligations in this letter are continuing and, in particular, shall survive and remain binding on us until (a) if we acquire an interest in the Agreement by way of novation, the date on which we acquire such an interest; (b) if we enter into the Acquisition other than by way of novation, the date falling 24 months after termination of that Acquisition; or (c) in any other case 24 months after the date of this letter.

### **6. NO REPRESENTATION; CONSEQUENCES OF BREACH, ETC**

We acknowledge and agree that:

- (a) neither you nor any member of the Group nor any of your or their respective officers, employees or advisers (each a **Relevant Person**)
  - (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the

Confidential Information or any other information supplied by you or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by you or be otherwise liable to us or any other person in respect of the Confidential Information or any such information; and

- (b) you or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by us.

#### **7. ENTIRE AGREEMENT: NO WAIVER; AMENDMENTS, ETC**

- (a) This letter constitutes the entire agreement between us in relation to our obligations regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.
- (b) No failure or delay in exercising any right or remedy under this letter will operate as a waiver thereof nor will any single or partial exercise of any right or remedy preclude any further exercise thereof or the exercise of any other right or remedy under this letter.
- (c) The terms of this letter and our obligations under this letter may only be amended or modified by written agreement between us and the Company.

#### **8. INSIDE INFORMATION**

We acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and we undertake not to use any Confidential Information for any unlawful purpose.

#### **9. NATURE OF UNDERTAKINGS**

The undertakings given by us under this letter are given to you and are also given for the benefit of the Company and each other member of the Group.

#### **10. THIRD PARTY RIGHTS**

- (a) Subject to this paragraph 10 and to paragraphs 6 and 9, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 (the *Third Parties Act*) to enforce or to enjoy the benefit of any term of this letter.
- (b) The Relevant Persons may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 10 and the provisions of the Third Parties Act.
- (c) Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person (other than the Company) to rescind or vary this letter at any time.

#### **11. GOVERNING LAW AND JURISDICTION**

- (a) This letter (including the agreement constituted by your acknowledgement of its terms) (the *Letter*) and any non-contractual obligations arising out of or in connection with it (including any non-contractual obligations arising out of the negotiation of the transaction contemplated by this Letter) are governed by English Law.
- (b) The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter (including a dispute relating to any non-contractual obligation arising

out of or in connection with either this Letter or the negotiation of the transaction contemplated by this Letter).

## 12. DEFINITIONS

In this letter (including the acknowledgement set out below) terms defined in the Agreement shall, unless the context otherwise requires, have the same meaning and:

**Confidential Information** means all information relating to the Company, any Obligor, the Group, the Finance Documents, a Facility and/or the Acquisition which is provided to us in relation to the Finance Documents or a Facility by you or any of your affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (a) is or becomes public information other than as a direct or indirect result of any breach by us of this letter; or
- (b) is identified in writing at the time of delivery as non-confidential by you or your advisers; or
- (c) is known by us before the date the information is disclosed to us by you or any of your affiliates or advisers or is lawfully obtained by us after that date, from a source which is, as far as we are aware, unconnected with the Group and which, in either case, as far as we are aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality;

**Group** means the Company and its subsidiaries for the time being (as such term is defined in the Companies Act 2006); and

**Permitted Purpose** means considering and evaluating whether to enter into the Acquisition.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

.....  
For and on behalf of  
[Potential Purchaser]

To: [Potential Purchaser]

We acknowledge and agree to the above:

.....  
For and on behalf of  
[Seller]

**SCHEDULE 9**

**TIMETABLES**

Each time shown below represents the Specified Time by which the relevant action listed in the far left column must be completed on a particular day:

**Part A  
Loans**

	<b>Loans in US Dollars</b>	<b>Loans in euro</b>	<b>Loans in sterling</b>	<b>Loans in other currencies</b>
Facilities Agent notifies the Company if a currency is approved as an Optional Currency in accordance with Clause 11.3 ( <i>Conditions relating to Optional Currencies</i> )				3:00 pm (London time) 4 Business Days before the proposed Utilisation Date
Delivery of a duly completed Loan Utilisation Request (Clause 5.1 ( <i>Delivery of a Loan Utilisation Request</i> ))	4:00 pm (London time) 3 Business Days before the proposed Utilisation Date	4:00 pm (London time) 3 Business Days before the proposed Utilisation Date	4:00 pm (London time) 1 Business Day before the proposed Utilisation Date	4:00 pm (London time) 3 Business Days before the proposed Utilisation Date
Facilities Agent notifies the Lenders of the Loan in accordance with Clause 5.4 ( <i>Lender's participation</i> )	5:00 pm (London time) 3 Business Days before the proposed Utilisation Date	5:00 pm (London time) 3 Business Days before the proposed Utilisation Date	5:00 pm (London time) 1 Business Days before the proposed Utilisation Date	5:00 pm (London time) 3 Business Days before the proposed Utilisation Date
Facilities Agent receives a notification from a Lender under Clause 11.2 ( <i>Unavailability of a currency</i> )				9:00 am (London time) 2 Business Days before the proposed Utilisation Date
Facilities Agent gives notice in accordance with Clause 11.2 ( <i>Unavailability of a currency</i> )				10:00 am (London time) 2 Business Days before the proposed Utilisation Date
LIBOR or EURIBOR is fixed	11:00 am (London time) on the Quotation Day	11:00 am (Brussels time) on the Quotation Day	11:00 am (London time) on the Quotation Day	11:00 am (London time) on the Quotation Day
Lenders to make available their participation in a Loan under Clause 5.4 ( <i>Lenders' participation</i> )	2:00 pm (London time) on the Utilisation Date	2:00 pm (London time) on the Utilisation Date	2:00 pm (London time) on the Utilisation Date	2:00 pm (London time) on the Utilisation Date

**Part B**  
**Bonds**

Facilities Agent notifies the Company if a currency is approved as an Optional Currency in accordance with Clause 11.3 ( <i>Conditions relating to Optional Currencies</i> )	8 Business Days before the proposed Bond Utilisation
Delivery of a duly completed Bond Utilisation Request (Clause 6.3 ( <i>Delivery of a Bond Utilisation Request</i> ))	3:00 pm (London time) 3 Business Days before the proposed Bond Utilisation
Facilities Agent notifies the relevant Tranche D Lenders of the Bond in accordance with Clause 6.7 ( <i>Issue of Bonds</i> )	5:00 pm (London time) 3 Business Days before the proposed Bond Utilisation
Delivery of a duly completed Renewal Request (Clause (a) ( <i>Renewal of a Bond</i> ))	2 Business Days before the proposed Bond Utilisation on renewal.

**Part C**  
**Swingline Loans**

	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Delivery of a duly completed Swingline Loan Utilisation Request (Clause 8.2 ( <i>Delivery of a Swingline Loan Utilisation Request</i> ))	11:00 am (New York time) on the Utilisation Date	10:30 am (London time) on the Utilisation Date	9:00 am (London time) on the Utilisation Date
Facilities Agent notifies each Swingline Lender of the amount of its participation in the Swingline Loan under Clause 8.5 ( <i>Swingline Lenders' participation</i> )	11:30 am (New York time) on the Utilisation Date	11:00 am (London time) on the Utilisation Date	10:00 am (London time) on the Utilisation Date
Facilities Agent determines the prime commercial lending rate under Clause 9.6 ( <i>Interest</i> )	9:30 am (New York time) on the Utilisation Date	Not applicable	Not applicable
Lenders to make available their participation in a Loan under Clause 8.5 ( <i>Swingline Lenders' participation</i> )	2:00 pm (New York time) on the Utilisation Date	2:00 pm (London time) on the Utilisation Date	2:00 pm (London time) on the Utilisation Date

**SCHEDULE 10**

**FORM OF INCREASE CONFIRMATION**

To: [●] as Facilities Agent and Carnival Corporation as the Company, for and on behalf of each Obligor

[Copied to: The Company]

From: [the *Increase Lender*] (the ***Increase Lender***)

Dated: [●]

Dear Sirs

**CARNIVAL CORPORATION AND CARNIVAL PLC – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the *Agreement*)**

1. We refer to the Agreement. This is an Increase Confirmation. Terms defined in the Agreement have the same meaning in this Increase Confirmation unless given a different meaning in this Increase Confirmation.
2. We refer to Clause 2.2 (*Increase*).
3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the [Commitment/Swingline Commitment] specified in the Schedule (the ***Relevant Commitment***) as if it was an Original Lender under the Agreement.
4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the ***Increase Date***) is [●].
5. On the Increase Date, the Increase Lender becomes party to the Finance Documents as a Lender.
6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 36.2 (*Addresses*) are set out in the Schedule.
7. The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in Clause 2.2(g) (*Increase*).
8. The Increase Lender confirms, for the benefit of the Facilities Agent and without liability to any Obligor, that the person beneficially entitled to the interest payable to that Lender in respect of an advance under a Finance Document is a Qualifying Lender as defined in Clause[s] [insert appropriate references from Clause 18 (*Taxes*) *except for Clauses 18.2 to 18.8 which are dealt with directly below*, and for the purposes of Clause 18.6 the New Lender confirms, for the benefit of the Facilities Agent and without liability to any Obligor, that it is:
  - (a) [a Qualifying Lender (other than a Treaty Lender);]
  - (b) [a Treaty Lender;]

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<sup>5</sup> Include if the Increase Lender includes a Treaty Passport Scheme notification (see clause 18). To be provided to the Company within 7 days.

(c) [not a Qualifying Lender.]

9. [The Increase Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

(a) a company resident in the United Kingdom for United Kingdom tax purposes; or

(b) a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of CTA 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of CTA 2009; or

(c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of CTA 2009) of that company.]

[9 The Increase Lender confirms that it holds a passport under the HMRC DT Treaty Passport reference number is [ ] and it is tax resident in [ ], and, accordingly, interest payable to it by borrowers is generally subject to full exemption from UK withholding tax tax and requests that the Company notify;

(a) each Borrower which is a Party as a Borrower as at the Increase Date; and

(b) each Additional Borrower which becomes an Additional Borrower after the Increase Date,

that it wishes that scheme to apply to the Agreement where such Borrower is a Borrower to which Clauses 18.2 to 18.8 apply.]

[10/11.] The Increase Lender confirms that [it is]/[it is not] a Non-Eligible Tranche D Lender.

[11/12.] This Increase Confirmation may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Increase Confirmation.

[12/13.] This Increase Confirmation and any non-contractual obligations arising out of or in connection with it are governed by English law.

[13/14.] This Agreement has been entered into on the date stated at the beginning of this Agreement.

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<sup>6</sup> Include only if New Lender is a U.K. Non-Bank Lender i.e. falls within such definition in Clause 18.2 (*General*).

<sup>7</sup> Insert jurisdiction of tax residence.

<sup>8</sup> Include only if the Increase Lender holds a passport under the HMRC DT Treaty Passport scheme and wishes that scheme to apply to the Agreement.

<sup>9</sup> Include only in relation to Tranche A Commitments.



**THE SCHEDULE**  
**Relevant Commitment/rights and obligations to be assumed by the Increase Lender**

*[insert relevant details]*

*[Facility office address, fax number and attention details for notices and account details for payments]*

[Increase Lender]

By:

This Increase Confirmation is accepted as an Increase Confirmation for the purposes of the Agreement by the Facilities Agent and the Increase Date is confirmed as [●].

Facilities Agent

By:

SCHEDULE 11

FORM OF EXTENSION REQUEST

From: CARNIVAL CORPORATION

To: [●] (*Facilities Agent*)

Dated: [●]

Dear Sirs

**CARNIVAL CORPORATION AND CARNIVAL PLC – USD1,600,000,000, £150,000,000 and €450,000,000 Multicurrency Revolving Facilities Agreement dated 18 May 2011 (as amended and restated) (the Agreement)**

1. We refer to the Agreement. This is [an Initial/a Second] Extension Request. Terms defined in the Agreement have the same meaning in this Extension Request unless given a different meaning in this Extension Request.

2. We wish to extend the Termination Date as follows:

Termination Date: [12/24 months] after the Original Termination Date

Facility(ies): [A/B/C/D]

[Part of Facility(ies): [●]]

Yours faithfully

.....  
authorised signatory for  
CARNIVAL CORPORATION

[.....  
authorised signatory for  
[Italian Obligor]]

**SIGNATORIES**

**CARNIVAL CORPORATION**

By: JOSH WEINSTEIN

**CARNIVAL PLC**

By: JOSH WEINSTEIN

**COSTA CROCIERE S.p.A.**

By: JOSH WEINSTEIN

**CC U.S. VENTURES, INC.**

By: JOSH WEINSTEIN

**Guarantors**

**CARNIVAL CORPORATION**

By: JOSH WEINSTEIN

**CARNIVAL PLC**

By: JOSH WEINSTEIN

**Arrangers**

**BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED**

By: SHAUN DREYER

**BARCLAYS BANK PLC**

By: CLARE MORGAN

**BNP PARIBAS**

By: HELEN FLETCHER CHARLOTTE CONLAN

**CITIGROUP GLOBAL MARKETS LIMITED**

By: LUCY DEVLIN

**GOLDMAN SACHS BANK USA**

By: MARK WALTON

**INTESA SANPAOLO S.P.A.**

By: LAWRENCE WYBRANIEC PAUL SAMUELS

**J.P. MORGAN LIMITED**

By: JOHN COONS

**LLOYDS BANK PLC**

By: IAN DIMMOCK

**MIZUHO BANK, LTD.**

By: ROBERT PETTITT

**THE ROYAL BANK OF SCOTLAND PLC**

By: ROY EVANS

**Lenders**

**Tranche A**

**BANK OF AMERICA, N.A.**

By: JUSTIN LIEN

**BARCLAYS BANK PLC**

By: CLARE MORGAN

**BNP PARIBAS**

By: HELEN FLETCHER CHARLOTTE CONLAN

**CITIBANK, N.A., LONDON BRANCH**

By: LUCY DEVLIN

**GOLDMAN SACHS BANK USA**

By: MARK WALTON

**INTESA SANPAOLO S.P.A.**

By: LAWRENCE WYBRANIEC PAUL SAMUELS

**JPMORGAN CHASE BANK N.A.**

By: CHIARA CARTER

**LLOYDS BANK PLC**

By: IAN DIMMOCK

**MIZUHO BANK, LTD.**

By: ROBERT PETTITT

**THE ROYAL BANK OF SCOTLAND PLC**

By: ROY EVANS

**PNC BANK, NATIONAL ASSOCIATION**

By: BRITTON CORE

**ROYAL BANK OF CANADA**

By: JOSHUA FREEDMAN

**SOCIÉTÉ GÉNÉRALE**

By: PHILIPPE MADAR

**US BANK NATIONAL ASSOCIATION**

By: PATRICK MCGRAW

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: EKTA PATEL

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

By: SARAH TANI

**BRANCH BANKING & TRUST (BB&T)**

By: ANTHONY NIGRO

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.**

By: LAWRENCE ELKINS

**DEUTSCHE BANK AG, LONDON BRANCH**

By: KAREN ARZUMANYAN DAVID GARCIA-CAPEL

**HSBC BANK PLC**

By: JOHN HAIRE

**SANTANDER BANK N.A.**

By: DANIEL O'CONNOR

**SUMITOMO MITSUI BANKING CORPORATION**

By: SHUJI YABE

**UBS AG, LONDON BRANCH**

By: ANDREW SANTACROCE BEN BACON

**Tranche B**

**BANK OF AMERICA, N.A.**

By: MATTHEW PECK

**BARCLAYS BANK PLC**

By: CLARE MORGAN

**BNP PARIBAS**

By: HELEN FLETCHER CHARLOTTE CONLAN

**CITIBANK, N.A., LONDON BRANCH**

By: LUCY DEVLIN

**GOLDMAN SACHS BANK USA**

By: MARK WALTON

**INTESA SANPAOLO S.P.A.**

By: LAWRENCE WYBRANIEC PAUL SAMUELS

**JPMORGAN CHASE BANK N.A.**

By: CHIARA CARTER

**LLOYDS BANK PLC**

By: IAN DIMMOCK

**MIZUHO BANK, LTD.**

By: ROBERT PETTITT

**THE ROYAL BANK OF SCOTLAND PLC**

By: ROY EVANS

**PNC BANK, NATIONAL ASSOCIATION**

By: BRITTON CORE



**ROYAL BANK OF CANADA**

By: NEER PATEL

**SOCIÉTÉ GÉNÉRALE**

By: PHILIPPE MADAR

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: EKTA PATEL

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

By: SARAH TANI

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.**

By: LAWRENCE ELKINS

**DEUTSCHE BANK AG, LONDON BRANCH**

By: KAREN ARZUMANYAN DAVID GARCIA-CAPEL

**HSBC BANK PLC**

By: JOHN HAIRE

**SANTANDER BANK N.A.**

By: DANIEL O'CONNOR

**SUMITOMO MITSUI BANKING CORPORATION**

By: SHUJI YABE

**UBS AG, LONDON BRANCH**

By: ANDREW SANTACROCE BEN BACON

**Tranche C**

**BANK OF AMERICA, N.A.**

By: MATTHEW PECK

**BARCLAYS BANK PLC**

By: CLARE MORGAN

**BANCA NAZIONALE DEL LAVORO SPA**

By: MATT DEARDEN CHARLOTTE CONLAN

**CITIBANK, N.A., MILAN BRANCH**

By: MATTEO PERFETTI

**INTESA SANPAOLO S.P.A.**

By: LAWRENCE WYBRANIEC PAUL SAMUELS

**JPMORGAN CHASE BANK N.A.**

By: CHIARA CARTER

**MIZUHO BANK, LTD.**

By: ROBERT PETTITT

**THE ROYAL BANK OF SCOTLAND PLC**

By: ROY EVANS

**ROYAL BANK OF CANADA**

By: NEER PATEL

**SOCIÉTÉ GÉNÉRALE**

By: PHILLIPPE MADAR

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.**

By: LAWRENCE ELKINS

**HSBC BANK PLC**

By: JOHN HAIRE

**SANTANDER, BANK N.A.**

By: DANIEL O'CONNOR

**Tranche D**

**BANK OF AMERICA, N.A.**

By: JUSTIN LIEN

**BARCLAYS BANK PLC**

By: CLARE MORGAN

**BNP PARIBAS**

By: HELEN FLETCHER CHARLOTTE CONLAN

**CITIBANK, N.A., LONDON BRANCH**

By: LUCY DEVLIN

**JPMORGAN CHASE BANK N.A.**

By: CHIARA CARTER

**LLOYDS BANK PLC**

By: IAN DIMMOCK

**MIZUHO BANK, LTD.**

By: ROBERT PETTITT

**THE ROYAL BANK OF SCOTLAND PLC**

By: ROY EVANS

**Swingline Lenders**

**Swingline Tranche A**

**BANK OF AMERICA, N.A.**

By: JUSTIN LIEN

**BARCLAYS BANK PLC**

By: CLARE MORGAN

**BNP PARIBAS**

By: HELEN FLETCHER CHARLOTTE CONLAN

**CITIBANK, N.A., LONDON BRANCH**

By: LUCY DEVLIN

**GOLDMAN SACHS BANK USA**

By: MARK WALTON

**INTESA SANPAOLO S.P.A.**

By: LAWRENCE WYBRANIEC PAUL SAMUELS

**JPMORGAN CHASE BANK N.A.**

By: CHIARA CARTER

**LLOYDS BANK PLC**

By: IAN DIMMOCK

**MIZUHO BANK, LTD.**

By: ROBERT PETTITT

**THE ROYAL BANK OF SCOTLAND PLC**

By: ROY EVANS

**PNC BANK, NATIONAL ASSOCIATION**

By: BRITTON CORE

**ROYAL BANK OF CANADA**

By: JOSHUA FREEDMAN

**SOCIÉTÉ GÉNÉRALE**

By: PHILIPPE MADAR

**US BANK NATIONAL ASSOCIATION**

By: PATRICK MCGRAW

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: EKTA PATEL

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

By: SARAH TANI

**BRANCH BANKING & TRUST (BB&T)**

By: ANTHONY NIGRO

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.**

By: LAWRENCE ELKINS

**DEUTSCHE BANK AG, NEW YORK BRANCH**

By: KAREN ARZUMANYAN DAVID GARCIA-CAPEL

**HSBC BANK PLC**

By: JOHN HAIRE

**SANTANDER BANK N.A.**

By: DANIEL O'CONNOR

**UBS AG, STAMFORD BRANCH**

By: ANDREW SANTACROCE BEN BACON

**Swingline Tranche B**

**BANK OF AMERICA, N.A.**

By: MATTHEW PECK

**BARCLAYS BANK PLC**

By: CLARE MORGAN

**BNP PARIBAS**

By: HELEN FLETCHER CHARLOTTE CONLAN

**CITIBANK, N.A., LONDON BRANCH**

By: LUCY DEVLIN

**INTESA SANPAOLO S.P.A.**

By: LAWRENCE WYBRANIEC PAUL SAMUELS

**JPMORGAN CHASE BANK N.A.**

By: CHIARA CARTER

**LLOYDS BANK PLC**

By: IAN DIMMOCK

**MIZUHO BANK, LTD.**

By: ROBERT PETTITT

**THE ROYAL BANK OF SCOTLAND PLC**

By: ROY EVANS

**PNC BANK, NATIONAL ASSOCIATION**

By: BRITTON CORE

**ROYAL BANK OF CANADA**

By: NEER PATEL



**SOCIÉTÉ GÉNÉRALE**

By: PHILIPPE MADAR

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

By: SARAH TANI

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.**

By: LAWRENCE ELKINS

**DEUTSCHE BANK AG, LONDON BRANCH**

By: KARAN ARZUMANYAN DAVID GARCIA-CAPEL

**HSBC BANK PLC**

By: JOHN HAIRE

**SANTANDER BANK N.A.**

By: DANIEL O'CONNOR

**UBS AG, LONDON BRANCH**

By: ANDREW SANTACROCE BEN BACON

**Swingline Tranche C**

**BANK OF AMERICA, N.A.**

By: MATTHEW PECK

**BARCLAYS BANK PLC**

By: CLARE MORGAN

**BANCA NAZIONALE DE LAVORO SPA**

By: MATT DEARDEN CHARLOTTE CONLAN

**CITIBANK, N.A., MILAN BRANCH**

By: MATTEO PERFETTI

**INTESA SANPAOLO S.P.A.**

By: LAWRENCE WYBRANIEC PAUL SAMUELS

**JPMORGAN CHASE BANK N.A.**

By: CHIARA CARTER

**MIZUHO BANK, LTD.**

By: ROBERT PETTITT

**THE ROYAL BANK OF SCOTLAND PLC**

By: ROY EVANS

**ROYAL BANK OF CANADA**

By: NEER PATEL

**SOCIÉTÉ GÉNÉRALE**

By: PHILIPPE MADAR

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.**

By: LAWRENCE ELKINS

**HSBC BANK PLC**

By: JOHN HAIRE

**SANTANDER BANK N.A.**

By: DANIEL O'CONNOR

**Exiting Lenders**

**BANK OF NOVA SCOTIA**

By: CHAD HALE

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

By: KIM MCNAMARA    MARCOS COLOMER

**DNB BANK ASA**

By: CATHLEEN BUCKLEY    ANDERS PLATOU

**KFW IPEX-BANK GMBH**

By: JOSEF SCHMID    CORINNA ERDMANN

**Facilities Agent**

**BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED**

By: KAREN HALL

## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into as of the 14th day of October, 2013 (the “Effective Date”), by and between CARNIVAL CORPORATION (the “Company”) with its principal place of business located at 3655 N.W. 87th Avenue, Miami, Florida 33178, and CARNIVAL PLC (together, the “Companies”) and ARNOLD DONALD, an individual (the “Executive”) (collectively herein referred to as the “Parties” and individually referred to as the “Party”).

### RECITALS

WHEREAS, the individual currently serves on the Board of Directors of Carnival Corporation (the “Board of Directors”) and on the Board of Directors of Carnival plc (together, the “Boards of Directors”);

WHEREAS, as of the Effective Date of this Agreement, the Companies desire to employ the Executive as President and Chief Executive Officer of the Companies and the Executive desires to serve the Companies as President and Chief Executive Officer.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. **Term.** The Companies hereby agree to employ the Executive, and the Executive hereby agrees to accept employment with the Companies, upon the terms and subject to the conditions set forth herein, effective as of the Effective Date.

Subject to the provisions for earlier termination set forth in Section 12, the term of employment under this Agreement shall be for a period of three (3) years commencing on the Effective Date (the “Term”).

2. **Employment.**

(a) The Executive shall be employed as President and Chief Executive Officer of the Companies. The Executive shall perform the duties and exercise the authority customarily performed, undertaken and exercised by persons situated in a similar executive capacity.

(b) During the Term, the Executive shall report directly to the Boards of Directors faithfully and diligently endeavor to promote the businesses and best interests of the Companies. The Executive shall devote sufficient time and attention to the duties he has been retained to perform. Service on any other boards of directors shall be at the discretion of the Boards of Directors.

(c) During the Term, the Compensation Committees of the Boards of Directors will annually review the aggregate compensation of the Executive as provided in Sections (3), (4), and (5) below.

3. **Base Salary.** The Company agrees to pay to the Executive during the Term of this Agreement a base salary (the “Base Salary”) at the rate of \$1,000,000 per annum. The Boards of Directors may, in its discretion, increase or decrease the rate of Base Salary payable hereunder on the standard salary review cycle beginning in 2014; provided, however, that any rate change shall thereafter be the rate of “Base Salary” hereunder. Such Base Salary shall be payable in accordance with the Company’s customary practices applicable to its senior executives.

4. **Management Incentive Plan.**

(a) The Executive shall be eligible to participate in the Carnival Corporation & plc Management Incentive Plan for the CEO, COO and CFO (the "Management Incentive Plan"), or its successor plan, on terms and conditions set forth in this Agreement. The Executive shall receive a fixed (and not subject to actual 2013 business performance criteria) bonus under the Management Incentive Plan, for the period of service beginning on July 3, 2013 and ending on the last day of the 2013 Plan Year equal to \$1,125,000.

(b) For the 2014 Plan Year, the Executive's Target Bonus under the Management Incentive Plan is \$2,650,000. The Executive's maximum bonus under the Management Incentive Plan for 2014 is \$5,300,000.

(c) For the 2015 Plan Year and subsequent Plan Years, the Executive shall be eligible to receive incentive payments under the Management Incentive Plan consistent with the general practice of compensating other senior executives.

(d) Each capitalized term used in Section 4 and not otherwise defined in this Agreement shall have the meaning assigned to it in the Management Incentive Plan.

5. **Long-Term Incentive Awards.** The Executive shall be entitled to receive an annual share award grant under the Carnival Corporation 2011 Stock Plan (the "2011 Stock Plan"), or its successor plan. The Executive's annual share award grant shall have a fair market value of \$3,500,000, on terms and conditions set forth in this Agreement, the 2011 Stock Plan and the associated Award agreements, to be comprised as follows:

(a) The Executive will be granted performance-based restricted stock units with a Fair Market Value of \$1,400,000 based on the closing price of a share of Company common stock on the date of grant. His initial award will be made on the Effective Date of this Agreement pursuant to the Award agreement in the form attached hereto as Appendix A; and

(b) The Executive will be granted a time-based share award with a fair market value of \$2,100,000 based on the closing price of a share of Company common stock on the date of grant. The time-based share awards will be made at the time the other executive officers of the Company receive their time-based share awards in 2014.

The terms applicable to annual share award grants and performance targets under the 2011 Stock Plan shall be consistent with those grants, mix of grant types, and performance targets applicable to other executive officers of the Company. Each capitalized term used in Section 5 and not otherwise defined in this Agreement shall have the meaning assigned to it in the 2011 Stock Plan or the associated Award agreements.

6. **Special Restricted Stock Unit Award.** The Company shall grant the Executive on the Effective Date of this Agreement, a one-time performance based Restricted Stock Unit Award under the 2011 Stock Plan, consisting of restricted stock units with a target value of \$3,000,000 on the Effective Date, on terms and conditions set forth in this Agreement, the 2011 Stock Plan and the associated Award agreement in the form attached hereto as Appendix B. Each capitalized term used in Section 6 and not otherwise defined in this Agreement shall have the meaning assigned to it in the 2011 Stock Plan or the associated Award agreement.

7. **Employee Benefits.** During the Term, the Executive shall be entitled to participate in all employee benefit plans, practices and programs maintained by the Company and made available to employees generally including, without limitation all 401(k), profit sharing, savings, medical, hospitalization, disability, dental, life or travel accident insurance benefit plans. The Executive's participation in such plans, practices and programs shall be on the same basis and terms as are applicable to other senior executives of the Company generally.

8. **Executive Benefits.** During the Term, the Executive shall be eligible to participate in all executive benefit or incentive compensation plans now maintained or hereafter established by the Company for the purpose of providing compensation and/or benefits to senior executives of the Company. Unless otherwise provided herein, or in the terms of such executive benefit or incentive compensation plans, the Executive's participation in such plans shall be on substantially the same basis and terms as other senior executives of the Company. No additional compensation provided under any of such plans shall be deemed to modify or otherwise affect the terms of this Agreement or any of the Executive's entitlements hereunder.

9. **Other Benefits.**

(a) **Fringe Benefits and Perquisites.** The Executive shall be entitled to receive all fringe benefits and perquisites generally made available by the Company to senior executives.

(b) **Executive Relocation.** Pursuant to the Company's relocation policy, the Company will pay the Executive \$350,000 to cover all relocation and temporary living expenses incurred by the Executive (e.g., pre-move house hunting trips, transport of household goods, final move of Executive and family, temporary storage of household goods, return visits, etc.).

10. **Paid Time Off and Sick Leave.** At such times as the Boards of Directors shall in their reasonable discretion permit, the Executive shall be entitled, without loss of pay, to absent himself voluntarily from the performance of his employment under this Agreement, in accordance with the following:

(a) During the Term, the Executive shall be entitled to annual paid time off in any calendar year of 25 days, to be taken in accordance with the policies as periodically established by the Company.

(b) The Executive shall be entitled to sick leave (without loss of pay) in accordance with the Company's policies as in effect from time to time.

11. **Stock Ownership Guidelines.** The Companies' stock ownership guidelines shall be applied to the Executive consistent with the requirement of the Chief Executive Officer.

12. **Termination.** The Executive's employment hereunder may be terminated under the following circumstances:

(a) **Disability.** The Companies may terminate the Executive's employment after having established the Executive's Disability. For purposes of this Agreement, "**Disability**," shall mean Disability as defined in the 2011 Stock Plan.

(b) **Cause.** The Companies may terminate the Executive's employment for "Cause." For purposes of this Agreement, "**Cause**" shall mean Cause as defined in the 2011 Stock Plan.

(c) **Good Reason.** The Executive may terminate his employment for "Good Reason." For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the events or conditions described in this Section 12(c) (provided that the Executive notifies the Companies in writing of such event within ten (10) business days following the occurrence thereof) and any such occurrence has not been cured within thirty (30) days following receipt by the Companies of written notice from the Executive specifically identifying such material breach:

(i) the nature of the Executive's duties or the scope of the Executive's responsibilities as provided in Section 2(a) above is materially modified by the Companies without the Executive's written consent where such material modification constitutes a demotion of the Executive or a substantial reduction in the Executive's responsibilities;



- (ii) a reduction in the Executive's Base Salary as provided in Section 3 by the Compensation Committee of more than five (5) percent;
- (iii) any material breach by the Companies of any provision of this Agreement;
- (iv) in connection with any Change in Control, (A) the purchaser does not assume the severance provisions set forth in Section 13 (including corresponding definitions) with respect to the Executive and (B) the Executive does not accept employment with such purchaser in connection with the Change in Control;
- (v) failure of the Executive to report directly to the Boards of Directors as provided in Section 2(b) or a reduction in the Executive's title as provided in Section 2(a) above without the Executive's consent.

The Executive's right to terminate his employment pursuant to this Section 12(c) shall not be affected by his incapacity due to the Executive's Disability if such Disability occurs after the event or condition giving rise to the Executive's right to terminate his employment pursuant to this Section 12(c).

(d) By the Executive Other Than for Good Reason. Subject to the provisions of Sections 12(g) and 12(h), the Executive may terminate his employment other than for Good Reason at any time.

(e) By the Companies Other Than for Cause. Subject to the provisions of Section 12(g) and 12(h), the Companies may terminate the Executive's employment other than for Cause at any time.

(f) Change in Control Definition. For purposes of this Agreement, a "Change in Control" shall mean a Change in Control as defined in the 2011 Stock Plan.

(g) Notice of Termination. Any purported termination by the Companies or by the Executive shall be communicated by written Notice of Termination to the other. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. For purposes of this Agreement, no such purported termination of employment shall be effective without such Notice of Termination.

(h) Termination Date, Etc. "Termination Date" shall mean in the case of the Executive's death, his date of death, or in all other cases, the date specified in the Notice of Termination subject to the following:

(i) If the Executive's employment is terminated by the Companies due to Disability, the date specified in the Notice of Termination shall be at least thirty (30) days after the date the Notice of Termination is given to the Executive, provided that in the case of Disability the Executive shall not have returned to the full-time performance of his duties during such period of at least thirty (30) days; and

(ii) If the Executive's employment is terminated by the Executive (whether or not for Good Reason), the date specified in the Notice of Termination shall not be less than sixty (60) days from the date the Notice of Termination is given to the Companies.

13. Compensation Upon Termination. Upon termination of the Executive's employment during the Term of this Agreement, the Executive shall be entitled to the following benefits:

(a) If the Executive's employment is terminated by the Companies for Cause or by the Executive (other than for Good Reason), the Companies shall (subject to the Executive's timely execution and non-revocation of the Companies' general waiver and release of claims agreement, except with respect to amounts payable under Section 13(c)(i), which shall be payable regardless of whether a general waiver and release of claims agreement is

signed) pay the Executive all amounts earned or accrued hereunder through the Termination Date but not paid as of the Termination Date, including (i) Base Salary, (ii) reimbursement for any and all monies advanced or expenses incurred in connection with the Executive's employment for reasonable and necessary expenses incurred by the Executive on behalf of the Companies for the period ending on the Termination Date, and (iii) any earned but unpaid annual incentive amounts under Section 4 for any year completed prior to the date of such termination (collectively, "Accrued Compensation").

(b) If the Executive's employment with the Companies is terminated by reason of his death or Disability, then, in addition to Accrued Compensation, the Companies shall provide the Executive with benefits or payments under any applicable disability or life insurance benefit plans, programs or arrangements maintained by the Companies, which benefits shall be provided and amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements.

(c) If the Executive's employment by the Companies shall be terminated (1) by the Companies other than for Cause, Death or Disability, or (2) by the Executive for Good Reason, then the Executive shall (subject to the Executive's timely execution and non-revocation of the Companies' general waiver and release of claims agreement, except with respect to amounts payable under Section 13(c)(i), which shall be payable regardless of whether a general waiver and release of claims agreement is signed) be entitled to the benefits provided below:

(i) the Company shall pay the Executive all Accrued Compensation;

(ii) the Company shall pay the Executive as severance pay and in lieu of any further compensation for periods subsequent to the Termination Date on the 45<sup>th</sup> day following the Termination Date as provided as follows:

(1) In the case of termination of employment within the first twelve (12) months of this Agreement, an aggregate amount in cash equal to one and a half (1-1/2) times the sum of (A) the Executive's Base Salary as in effect on the Termination Date, and (B) the target annual incentive amounts to be paid to the Executive with respect to the Plan Year under Section 4, if applicable, in which the Termination Date occurs;

(2) In the case of termination of employment after the first twelve (12) months of this Agreement, an aggregate amount in cash equal to one (1) times the sum of (A) the Executive's Base Salary as in effect on the Termination Date, and (B) the target annual incentive amounts to be paid to the Executive with respect to the Plan Year under Section 4, if applicable, in which the Termination Date occurs; or

(3) In the case of termination of employment following a Change in Control, an aggregate amount in cash equal to two (2) times the sum of (A) the Executive's Base Salary as in effect on the Termination Date, and (B) the target annual incentive amounts to be paid to the Executive with respect to the Plan Year under Section 4, if applicable, in which the Termination Date occurs;

(iii) for a period beginning on the 30<sup>th</sup> day following the Termination Date and ending on the earlier of (A) the 30<sup>th</sup> day following the eighteenth (18<sup>th</sup>) month after the Termination Date and (B) the date on which the Executive violates any restrictive covenant set forth in Section 14, Section 17, or Section 18 hereof, the Company shall at its expense continue on behalf of the Executive and his dependents and beneficiaries the employee benefits under Section 7 which were being provided to the Executive at the time Notice of Termination is given (or, if the Executive is terminated following a Change in Control, the benefits provided to the Executive at the time of the Change in Control, if greater). The parties intend that any

continued medical and dental coverage paid in the first eighteen (18) months following the Termination Date shall not constitute a “deferral of compensation” under Treasury Regulation Section 1.409A-1(b). The Companies’ obligation hereunder with respect to the foregoing benefits shall cease if the Executive becomes eligible for coverage for any such benefits pursuant to a subsequent employer’s benefit plans. This Section 13(c)(iii) shall not be interpreted so as to limit any benefits to which the Executive or his dependents may be entitled under any of the Companies’ employee benefit plans, programs or practices following the Executive’s termination of employment.

Notwithstanding anything in this Agreement to the contrary, in the event any benefit payments to which the Executive is entitled to under this Section 13 upon a termination of employment after a change in control are subject to an excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended (the “Code”), such benefit payments shall follow the “best net” approach being the higher of (A) the reduced payment to avoid excise taxes, or (B) the net after-tax benefit if benefit payments are not reduced to avoid excise taxes and the Executive paid the excise taxes.

(d) The amounts provided for in Sections 13(a) and 13(c)(i) shall be paid as soon as reasonably practicable after the Executive’s Termination Date (and in no event later than 30 days after the Termination Date occurs).

(e) The Executive shall not be required to mitigate the amount of any payment, benefit or other obligation of the Companies provided for in this Agreement by seeking other employment or otherwise and no such payment, benefit or other obligation of the Companies shall be offset or reduced by the amount of any compensation or benefits provided to the Executive in any subsequent employment.

(f) The intent of the parties is that payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code, corresponding regulations and other guidance (“Section 409A”) and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith or exempt therefrom.

(g) If the Companies reasonably determine that any amounts payable under this Agreement are likely to be subject to tax under Section 409A, the Company may adopt policies, procedures or amendments to this Agreement designed to mitigate or eliminate the amount of tax under Section 409A to which the Executive may be subject; provided that no such amendment shall be made that reduces the aggregate payments the Executive is entitled to receive under this Agreement.

(h) For purposes of Section 409A, the Executive’s right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Companies.

(i) Payments made pursuant to Section 13(c)(iii) shall be made, if at all, in monthly installments until the date on which such payments cease under Section 13(c)(iii)(A) or (B).

(j) If the Executive is a “specified employee” as determined under Section 409A as of the date of the Executive’s “separation from service” (within the meaning of Section 409A) and if any payment or benefit provided for in this Agreement or otherwise both (x) constitutes a “deferral of compensation” within the meaning of Section 409A and (y) cannot be paid or provided in the manner otherwise provided without subjecting the Executive to additional tax, interest or penalties under Section 409A, then any such payment or benefit shall be delayed until the earlier of (i) the date which is six (6) months after his “separation from service” for any reason other than death, or (ii) the date of the Executive’s death.

14. **Non-Disparagement.** Except to the extent required by compulsory process or in the course of filing a charge with a government agency or participating in its investigation, the Executive agrees not to disparage the Companies, any of their products or practices, or any of their directors, officers, agents, representatives, stockholders or affiliates, either orally or in writing, at any time.

15. **Indemnification.**

(a) **General.** The Company agrees that if the Executive is made a party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that the Executive is or was an officer of the Companies or any subsidiary thereof or is or was serving at the request of the Companies or any subsidiary thereof as an officer, member, employee or agent of another corporation or a partnership, joint venture, trust or other enterprise, including, without limitation, service with respect to employee benefit plans, whether or not the basis of such Proceeding is alleged action in an official capacity as an officer, member, employee or agent while serving as an officer, member, employee or agent, the Executive shall be indemnified and held harmless by the Company to the fullest extent authorized by Florida law, as the same exists or may hereafter be amended, against all Expenses (as hereinafter defined) incurred or suffered by the Executive in connection therewith, and such indemnification shall continue as to the Executive even if the Executive has ceased to be an officer or agent, or is no longer employed by the Companies and shall inure to the benefit of his heirs, executors and administrators; provided, however, that the Executive shall not be so indemnified for any Proceeding which shall have been adjudicated to have arisen out of or been based upon his willful misconduct, bad faith, gross negligence or reckless disregard of duty or his failure to act in good faith in the reasonable belief that his action was in the best interests of the Companies. For the avoidance of doubt, the Executive and the Companies hereby acknowledge and agree that, notwithstanding any other provision hereof, this Section 15 shall not apply with respect to any dispute, claim or controversy arising under or relating to this Agreement.

(b) **Expenses.** As used in this Agreement, the term "Expenses" shall include, without limitation, damages, losses, judgments, liabilities, fines, penalties, excise taxes, settlements, and costs, attorneys' fees, accountants' investigations, and any expenses of establishing a right to indemnification under this Agreement.

(c) **Enforcement.** If a claim or request for indemnification under this Section 15 is not paid by the Company or on its behalf, within thirty (30) days after a written claim or request has been received by the Company, the Executive may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim or request and if successful in whole or in part, the Executive shall be entitled to be paid also the expenses of prosecuting such suit. All obligations for indemnification hereunder shall be subject to, and paid in accordance with, applicable Florida law.

(d) **Partial Indemnification.** If the Executive is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify the Executive for the portion of such Expenses to which the Executive is entitled.

(e) **Notice of Claim.** The Executive shall give to the Company notice of any claim made against him for which indemnification will or could be sought under this Agreement, but the failure of the Executive to give such notice shall not relieve the Company of any liability the Company may have to the Executive except to the extent that the Company is prejudiced thereby. In addition, the Executive shall give the Company such information and cooperation as it may reasonably require and as shall be within the Executive's power and at such time and places as are convenient for the Executive.

(f) **Defense of Claim.** With respect to any Proceeding as to which the Executive notifies the Company of the commencement thereof:

(i) The Company will be entitled to participate therein at its own expense;

(ii) Except as otherwise provided below, to the extent that it may wish, the Company will be entitled to assume the defense thereof, with counsel reasonably satisfactory to the Executive. The Executive also shall have the right to employ his own counsel in such action, suit or proceeding if he reasonably concludes that failure to do so would involve a conflict of interest between the Company and the Executive, and under such circumstances the fees and expenses of such counsel shall be at the expense of the Company to the extent the Company determines such fees and expenses are reasonable; and

(iii) The Company shall not be liable to indemnify the Executive under this Agreement for any amounts paid in settlement of any action or claim effected without its written consent.

(g) Non-exclusivity. The right to indemnification and the payment of Expenses incurred in defending a Proceeding in advance of its final disposition conferred in this Agreement shall not be exclusive of any other right which the Executive may have or hereafter may acquire under any statute, provision of the declaration of trust or certificate of incorporation or by-laws of the Companies or any subsidiary, agreement, vote of shareholders or disinterested directors or otherwise.

16. **Successors and Assigns.**

(a) This Agreement (including specifically and without limitation Sections 17 and 18) shall be binding upon and shall inure to the benefit of the Companies, their successors and assigns and the Companies shall require any successor or assign to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Companies would be required to perform it if no such succession or assignment had taken place. In connection with any Change in Control, the Companies shall further require any successor or assign to expressly agree to pay all legal fees and related expenses incurred by the Executive following such Change in Control as they become due as result of (i) the Executive's termination of employment other than for Cause (including all such fees and expenses, if any, incurred in contesting or disputing any such termination of employment) or (ii) the Executive's seeking to obtain or enforce any right or benefit provided by this Agreement; provided, however, that the Executive must prevail on at least one substantial claim. The term "the Companies" as used herein shall include such successors and assigns. The term "successors and assigns" as used herein shall mean a corporation or other entity acquiring all or substantially all the assets and businesses of the Companies (including this Agreement) whether by operation of law or otherwise.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Executive, his beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal personal representative.

17. **Covenant Not to Compete.**

(a) The Executive acknowledges and agrees that: in the course of the Executive's employment with the Companies, the Executive will be provided with access to sensitive and proprietary information about the clients, prospective clients, knowledge capital and business practices of the Companies, and has been and will be provided with the opportunity to develop relationships with clients, prospective clients, employees and other agents of the Companies, and the Executive further acknowledges that such proprietary information and relationships are extremely valuable assets in which the Companies have invested and will continue to invest substantial time, effort and expense. In recognition of the foregoing the Executive agrees that during the period beginning on the Effective Date and ending on the first anniversary following the termination of the Executive's employment with the Companies for any reason (the "Non-Compete Term") the Executive shall not:

(i) Either directly or indirectly, for himself or on behalf of or in conjunction with any other person, persons, company, firm, partnership, corporation, business, group or other entity (each, a "Person"),

engage in any Competing Business, whether as an employee, consultant, partner, principal, agent, representative, stockholder or other individual, corporate, or representative capacity, or render any services or provide any advice or substantial assistance to any such Person that engages in a Competing Business. “Competing Businesses” shall include any multi-night passenger cruise operator which competes with the Companies or any of their subsidiaries or divisions, or in any other business in which the Companies are engaging, or in which the Companies have taken concrete and significant steps towards engaging, at the time of the Executive’s termination of employment, in each case in the geographic areas in which the Companies operate or have taken significant steps towards operating; provided, however, that notwithstanding the foregoing, the Executive may make passive investments in up to 5% of the outstanding publicly traded common stock of an entity which operates a Competing Business

(ii) Either directly or indirectly, for himself or on behalf of or in conjunction with any other Person, solicit, hire or divert any Person who is, or who is, at the time of termination of the Executive’s employment, or has been within six (6) months prior to the time of Termination of the Executive’s employment, an employee of the Companies or any of their subsidiaries for the purpose or with the intent of enticing such employee away from the employ of the Companies or any of their subsidiaries.

(iii) Either directly or indirectly, for himself or on behalf of or in conjunction with any other Person, solicit, hire or divert any Person who is, or who is, at the time of termination of the Executive’s employment, or has been within six (6) months prior to the time of termination of the Executive’s employment, a customer or supplier of the Companies or any of their subsidiaries for the purpose or with the intent of (A) inducing or attempting to induce such Person to cease doing business with the Companies or (B) in any way interfering with the relationship between such Person and the Companies.

(b) Because of the difficulty of measuring economic losses to the Companies as a result of a breach of the covenants in Sections 17 and 18, and because of the immediate and irreparable damage that could be caused to the Companies for which they would have no other adequate remedy, the Executive agrees: (i) that the foregoing covenants, in addition to and not in limitation of any other rights, remedies or damages available to the Companies at law, in equity or under this Agreement, may be enforced by the Companies in the event of the breach or threatened breach by the Executive, by injunctions and/or restraining orders; and (ii) that in the event any material breach by the Executive of any of the covenants in Sections 17 and 18 occurs while the Executive is receiving payments under Section 13(c)(ii), the Companies may cease making payments thereunder and the Executive must repay all amounts previously received from the Companies thereunder. If the Companies are involved in court or other legal proceedings to enforce the covenants contained in Sections 17 and 18, then in the event the Companies prevail in such proceedings, the Executive shall be liable for the payment of reasonable attorneys’ fees, costs and ancillary expenses incurred by the Companies in enforcing their rights hereunder.

(c) The covenants in Sections 17 and 18, respectively, are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth herein are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent that such court or arbitrator deems reasonable, and this Agreement shall thereby be reformed to reflect the same.

(d) All of the covenants in Sections 17 and 18, respectively, shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of the Executive against the Companies whether predicated on this Agreement or otherwise shall not constitute a defense to the enforcement by the Companies of such covenants. It is specifically agreed that the period following the termination of the Executive’s employment with the Companies during which the agreements and covenants of the Executive made in Sections 17 and 18, respectively, shall be effective, shall be computed by excluding from such

computation any time during which the Executive is in violation of any provision of Sections 17 and 18, respectively.

(e) Notwithstanding any of the foregoing, if any applicable law, judicial ruling or order shall reduce the time period during which the Executive shall be prohibited from engaging in any competitive activity described in Section 17 or 18 hereof, the period of time for which the Executive shall be prohibited pursuant to Section 17 or 18 hereof shall be the maximum time permitted by law.

18. **Confidential Information.**

(a) The Executive expressly agrees and understands that the Companies own and/or control information and material which is not generally available to third parties and which the Companies consider confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to their businesses and that they may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the "Confidential Information"). The Executive hereby acknowledges that each element of the Confidential Information constitutes a unique and valuable asset of the Companies, and that certain items of the Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to the Companies and their officers and agents other than in the ordinary course of business. The Executive hereby acknowledges that disclosure of the Companies' Confidential Information to and/or use by anyone other than in the Companies' ordinary course of business would result in irreparable and continuing damage to the Companies. Accordingly, the Executive agrees to hold the Confidential Information in the strictest secrecy, and covenants that, during the term of his employment with the Companies or at any time thereafter, he will not, without the prior written consent of the Boards of Directors, directly or indirectly, allow any element of the Confidential Information to be disclosed, published or used, nor permit the Confidential Information to be discussed, published or used, either by himself or by any third parties, except in effecting the Executive's duties for the Companies in the ordinary course of business. The Executive agrees to keep all such records in connection with the Executive's employment as the Companies may direct, and all such records shall be the sole and absolute property of the Companies. The Executive further agrees that, within five (5) days of the Companies' request, he shall surrender to the Companies any and all documents, memoranda, books, papers, letters, price lists, notebooks, reports, logbooks, code books, salesmen records, customer lists, activity reports, video or audio recordings, computer programs and any and all other data and information and any and all copies thereof relating to the Companies' business or any Confidential Information.

(b) The restrictive covenants contained in Sections 17 and 18 shall survive the termination or expiration of this Agreement and any termination of the Executive's employment.

19. **Notice.** For the purposes of this Agreement, notices and all other communications provided for in this Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each party to the other, provided that all notices to the Companies shall be directed to the attention of the Executive Chairman and the General Counsel. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

20. **Non-exclusivity of Rights.** Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Companies or any of their subsidiaries and for which the Executive may qualify, nor shall anything herein limit or reduce such rights as the Executive may have under any other agreements with the Companies or any of their subsidiaries. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any

plan or program of the Companies or any of their subsidiaries shall be payable in accordance with such plan or program, except as explicitly modified by this Agreement.

21. **Settlement of Claims.** The Companies' obligation to make the payments provided for in this Agreement and otherwise to perform their obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Companies may have against the Executive or others.

22. **Survival.** The agreements and obligations of the Companies and the Executive made in Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22 of this Agreement shall survive the expiration or termination of this Agreement; provided, that, for the avoidance of doubt, the Parties acknowledge and agree that any obligations of the Companies pursuant to Section 13 shall only so survive to the extent that a termination of the Executive's employment giving rise to an obligation of the Companies under Section 13 occurs prior to the expiration or termination of this Agreement.

23. **Tax Withholding.** The Company may withhold from any benefits payable under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

24. **Miscellaneous.** No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Companies. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

25. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida, without giving effect to the conflict of law principles thereof.

26. **Arbitration.** The Executive hereby consents to binding arbitration in Florida by reference to the Employment Arbitration Rules of the American Arbitration Association, but without necessarily utilizing the services of the AAA, to resolve any dispute, initiated by the Executive, relating to or arising under this Agreement. The parties shall select a single arbitrator as follows: the party seeking resolution of some dispute shall notify the other(s) of the claim(s) to be arbitrated. The respondent shall promptly provide to the complainant a list of potential arbitrators consisting of names of five (5) persons who have substantial experience serving as arbitrator in employment-related disputes involving executive-level persons, or other sophisticated commercial disputes, and who maintain good reputations as experienced and fair arbitrators. The complainant party initiating the arbitration shall then select the arbitrator from this list of five (5). In connection with any such legal dispute, the Companies agree to reimburse the Executive for legal fees and expenses if the Executive prevails on at least one material issue. Judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof.

27. **Severability.** The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

28. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the Companies have caused this Agreement to be executed by their duly authorized officer and the Executive has executed this Agreement effective as of the Effective Date.

EXECUTIVE

/s/ Arnold Donald

\_\_\_\_\_  
Arnold Donald

/s/ Arnaldo Perez

\_\_\_\_\_  
Arnaldo Perez, SVP

On behalf of Carnival Corporation

/s/ Arnaldo Perez

\_\_\_\_\_  
Arnaldo Perez, SVP

On behalf of Carnival plc

**APPENDIX B**

**CARNIVAL CORPORATION**

**2011 STOCK PLAN**

**PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT FOR SPECIAL CEO AWARD**

THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT (this "Agreement"), dated as of October 14, 2013, is made by and between Carnival Corporation, a corporation organized under the laws of Republic of Panama (the "Company"), and ARNOLD DONALD (the "Participant") pursuant to the Carnival Corporation 2011 Stock Plan (the "Plan") and that certain Employment Agreement effective as of October 14, 2013 by and between the Company, Carnival plc, and Participant (the "Employment Agreement").

WHEREAS, the Company has adopted the Plan, pursuant to which restricted stock units may be granted in respect of shares of the Company's common stock, par value \$0.01 per share ("Stock"); and

WHEREAS, the Company desires to grant to Participant restricted stock units pursuant to the terms of this Agreement, the Employment Agreement and the Plan; and

WHEREAS, the Compensation Committee of the Company (the "Committee") has determined that it is in the best interests of the Company and its stockholders to grant the restricted stock units provided for herein to the Participant subject to the terms set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Restricted Stock Units.

(a) Grant. The Company hereby grants to the Participant as of October 14, 2013 (the "Date of Grant") a target number of restricted stock units (the "RSUs") of 93,457 (the "Target Amount"), on the terms and conditions set forth in this Agreement, the Employment Agreement and as otherwise provided in the Plan. Each RSU represents the right to receive payment in respect of one share of Stock as of the applicable Settlement Date (as defined below), to the extent the Participant earns and is vested in such RSUs as of such Settlement Date, subject to the terms of this Agreement, the Employment Agreement and the Plan. The RSUs are subject to the restrictions described herein, including forfeiture under the circumstances described in Section 3 hereof (the "Restrictions"). The Restrictions shall lapse and the RSUs shall vest and become nonforfeitable in accordance with Section 2 and Section 3 hereof.

(b) Incorporation by Reference, Etc. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Employment Agreement and the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The terms of the Employment Agreement shall control in the event of a conflict with the provisions of this Agreement. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and his legal representative in respect of any questions arising under the Plan or this Agreement. In the event there is any inconsistency between the provisions of the Plan and this Agreement, the provisions of the Plan shall govern.

(c) Acceptance of Agreement. Unless the Participant notifies the Company's Global Human Resources Department in writing to [soptions@carnival.com](mailto:soptions@carnival.com) within 10 days after delivery of this Agreement that the Participant does not

wish to accept this Agreement, the Participant will be deemed to have accepted this Agreement and will be bound by the terms of this Agreement and the Plan.

2. Terms and Conditions.

(a) Performance. Subject to the Participant's continued employment or service with the Company, a specified percentage of the RSUs shall vest if both (A) except as provided in a Section 3(b) with respect to a termination due to death, disability or without Cause, the Participant remains in continuous employment or continuous service with the Company through the First Settlement Date or Second Settlement Date, as applicable, each as defined in Sub-section (b) below, and (B) the Company achieves, at a minimum, the threshold level of performance set forth on Exhibit A (the "Performance Threshold"). Unless provided otherwise by the Committee, the Participant shall be deemed to not be in continuous employment or continuous service if the Participant's status changes from employee to non-employee, or vice-versa. The actual number of RSUs that may vest may range from zero to five (5) times the Target Amount based on the extent to which the Performance Threshold is achieved, in accordance with the methodology set out on Exhibit A. Except as provided in Section 3(b) and Section (1)(ii) of Exhibit A, if the Company does not achieve the minimum Performance Threshold as set out on Exhibit A, then no RSUs shall vest and this grant of RSUs shall be cancelled in its entirety. In addition, no vesting shall occur unless and until the Committee certifies that the Performance Threshold has been met (the "Certification").

(b) Settlement. The obligation to make payments and distributions with respect to RSUs shall be satisfied through the issuance of one share of Stock for each vested RSU, less applicable withholding taxes (the "settlement"), and the settlement of the RSUs may be subject to such conditions, restrictions and contingencies as the Committee shall determine. 50% of the Earned RSUs (as defined in Exhibit A) shall be settled as soon as practicable after the end of the Performance Cycle (as defined in Exhibit A) and Certification (as applicable, the "First Settlement Date"), but in no event later than March 15 of the year following the calendar year in which Certification occurs, except as otherwise specified in Section 4(a). The remaining 50% of the Earned RSUs shall be settled as soon as practicable following the date that is 12 months after the end of the Performance Cycle, (the "Second Settlement Date", and, together with the First Settlement Date, each a "Settlement Date"), subject to the Participant's continued employment or service with the Company through the Second Settlement Date and the provisions of Section 3 (b). Notwithstanding the foregoing, the payment dates set forth in this Section 2(b) have been specified for the purpose of complying with the provisions of Section 409A of the Code ("Section 409A"). To the extent payments are made during the periods permitted under Section 409A (including any applicable periods before or after the specified payment dates set forth in this Section 2(b)), the Company shall be deemed to have satisfied its obligations under the Plan and shall be deemed not to be in breach of its payments obligations hereunder.

(c) Dividends and Voting Rights. Each RSU subject to this grant shall not be credited with dividend equivalents or dividends.

3. Termination of Employment or Service with the Company.

(a) Termination by the Company for Cause. If the Participant's employment or service with the Company terminates for Cause, then all outstanding RSUs shall immediately terminate on the date of termination of employment or service.

(b) Death or Disability or Termination by the Company Without Cause or for Good Reason. Except to the extent otherwise provided for under the terms of the Employment Agreement, if the Participant's employment or service with the Company terminates due to the Participant's death or is terminated by the Company due to the Participant's Disability or if the Participant's employment is terminated without Cause or for Good Reason, then the Participant shall be deemed to have vested on the date of termination in a number of RSUs equal to the product of (i) the Target Amount of RSUs multiplied by (ii) a fraction, the numerator of which is the number of days elapsed during the period commencing on the Date of Grant through and including the date of termination, and the denominator of which is 1,095, rounded down to the nearest whole RSU, and the remaining unvested portion of the RSUs shall terminate on the date of termination of employment or service. The vested RSUs shall be settled in accordance with Section 2(b).

(c) Other Termination. Except to the extent otherwise provided for under the terms of the Employment Agreement, if the Participant's employment or service with the Company terminates for any reason other than as otherwise described in the foregoing provisions of this Section 3 (whether due to voluntary termination, Retirement, or otherwise) then all outstanding RSUs shall immediately terminate on the date of termination of employment or service.

Except as otherwise provided in Section 3(b), in no event shall any RSUs be settled unless and until (i) at least the threshold Performance is achieved, (ii) the Certification occurs, and (iii) the Participant has remained in the continuous employment of the Company through the applicable Settlement Date.

(d) Definitions. For purposes of this Agreement, “Good Reason” shall mean Good Reason as defined in the Employment Agreement.

4. Miscellaneous.

(a) Compliance with Legal Requirements. The granting and settlement of the RSUs, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, state, local and foreign laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. If the settlement of the RSUs would be prohibited by law or the Company’s dealing rules, the settlement shall be delayed until the earliest date on which the settlement would not be so prohibited.

(b) Transferability. Unless otherwise provided by the Committee in writing, the RSUs shall not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company; provided, that, the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(c) Tax Withholding. All distributions under the Plan are subject to withholding of all applicable federal, state, local and foreign taxes, and the Committee may condition the settlement of the RSUs on satisfaction of the applicable withholding obligations. The Company, Carnival plc or any Affiliate of the Company or Carnival plc has the right, but not the obligation, to withhold or retain any Shares or other property deliverable to the Participant in connection with the grant of RSUs or from any compensation or other amounts owing to the Participant the amount (in cash, Shares or other property) of any required tax withholding in respect of the Shares and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(d) Clawback/Forfeiture.

(i) Notwithstanding anything to the contrary contained herein, in the event of a material restatement of the Company’s issued financial statements, the Committee shall review the facts and circumstances underlying the restatement (including, without limitation any potential wrongdoing by the Participant and whether the restatement was the result of negligence or intentional or gross misconduct) and may in its sole discretion direct the Company to recover all or a portion of any income or gain realized on the settlement of the RSUs or the subsequent sale of shares of Stock acquired upon settlement of the RSUs with respect to any fiscal year in which the Company’s financial results are negatively impacted by such restatement. If the Committee directs the Company to recover any such amount from the Participant, then the Participant agrees to and shall be required to repay any such amount to the Company within 30 days after the Company demands repayment. In addition, if the Company is required by law to include an additional “clawback” or “forfeiture” provision to outstanding awards, under the Dodd-Frank Wall Street Reform and Consumer Protection Act or otherwise, then such clawback or forfeiture provision shall also apply to this Agreement as if it had been included on the Date of Grant and the Company shall promptly notify the Participant of such additional provision. In addition, if a Participant has engaged or is engaged in Detrimental Activity after the Participant’s employment or service with the Company or its subsidiaries has ceased, then the Participant, within 30 days after written demand by the Company, shall return any income or gain realized on the settlement of the RSUs or the subsequent sale of shares of Stock acquired upon settlement of the RSUs.

(ii) For purposes of this Agreement, “Detrimental Activity” means any of the following: (i) unauthorized disclosure of any confidential or proprietary information of the Combined Group, (ii) any activity that would be grounds to terminate the Participant’s employment or service with the Combined Group for Cause, (iii) whether in writing or orally, maligning, denigrating or disparaging the Combined Group or their respective predecessors and successors, or any of the current or former directors, officers, employees, shareholders, partners, members, agents or representatives of any of the foregoing, with respect to any of their respective past or present activities, or otherwise publishing (whether in writing or orally) statements that tend to portray any of the aforementioned persons or entities in an unfavorable light, or (iv) the breach of any noncompetition, nonsolicitation or other agreement containing restrictive covenants, with the Combined Group. For

purposes of the preceding sentence the phrase “the Combined Group” shall mean “any member of the Combined Group or any Affiliate”.

(e) No Rights as Stockholder. The Participant shall not be deemed for any purpose to be the owner of any shares of Stock subject to the RSUs. The Company shall not be required to set aside any fund for the payment of the RSUs.

(f) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(g) Notices. Any written notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant’s address indicated by the Company’s records, or if to the Company, at the Company’s principal executive office.

(h) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(i) No Rights to Continued Employment. Nothing in the Plan or in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever. The rights and obligations of the Participant under the terms and conditions of the Participant’s office or employment shall not be affected by this Agreement. The Participant waives all and any rights to compensation and damages in consequence of the termination of the Participant’s office or employment with any member of the Combined Group or any of its Affiliates for any reason whatsoever (whether lawfully or unlawfully) insofar as those rights arise, or may arise, from the Participant’s ceasing to have rights under or the Participant’s entitlement to the RSUs under this Agreement as a result of such termination or from the loss or diminution in value of such rights or entitlements. In the event of conflict between the terms of this Section 4(i) and the Participant’s terms of employment, this Section will take precedence.

(j) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the Participant’s estate shall be deemed to be the Participant’s beneficiary.

(k) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(l) Entire Agreement. This Agreement, the Employment Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the parties hereto, except for any changes permitted without consent of the Participant in accordance with the Plan.

(m) Governing Law; JURY TRIAL WAIVER. This Agreement shall be construed and interpreted in accordance with the laws of the State of Florida without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Florida. THE PARTIES EXPRESSLY AND KNOWINGLY WAIVE ANY RIGHT TO A JURY TRIAL IN THE EVENT ANY ACTION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT IS LITIGATED OR HEARD IN ANY COURT.

(n) Data Protection. By accepting the grant of the RSUs the Participant agrees and consents:

(i) to the collection, use, processing and transfer by the Company of certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, other employee information, details of the RSUs granted to the Participant, and of Stock issued or transferred to the Participant pursuant to this Agreement ("Data"); and

(ii) to the Company transferring Data to any subsidiary or Affiliate of the Company for the purposes of implementing, administering and managing this Agreement; and

(iii) to the use of such Data by any person for such purposes; and

(iv) to the transfer to and retention of such Data by third parties in connection with such purposes.

(o) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

5. Change in Control. Except in the event of termination for Good Reason, in the event of a Change in Control, the valuation of the award shall be calculated as of the date of the Change in Control. Notwithstanding the above, the Participant's right to such award, calculated as of the Change in Control date, shall be subject to the terms of this Agreement and, for the avoidance of doubt, Section 1(ii) of Exhibit A shall apply even in the event of a Change in Control. The beginning share price for the determination of the CAGR of the Company's TSR for the Performance Cycle shall be the close price on the Date of Grant and the ending share price shall be the 90 day average stock price (plus dividends paid and reinvested in Stock over the term) as of the date of closing of the Change in Control transaction.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day first written above.

By: /s/ Jerry Montgomery

\_\_\_\_\_  
Jerry Montgomery  
Senior Vice President,  
Global Human Resources

## EXHIBIT A

### TSR Performance Matrix

The multiple of the Target Amount of RSUs that shall be earned will be based upon the compound annual growth rate (“CAGR”) of the Company’s total shareholder return (“TSR”) over the performance cycle beginning on the Date of Grant (as defined in Section 1(a)) and ending on the third anniversary of the Date of Grant (the “Performance Cycle”), in accordance with this Exhibit A.

(1) The number of RSUs that shall be earned with respect to the Performance Cycle (the “Earned RSUs”) shall be equal to the Target Amount multiplied by the Payout Multiple (as defined below); provided, however, that:

(i) if the Target Amount multiplied by the Payout Multiple multiplied by the Fair Market Value of the Company’s Stock on the First Settlement Date exceeds \$24,000,000, then the number of Earned RSUs shall be equal to \$24,000,000 divided by the Fair Market Value of the Company’s Stock on the First Settlement Date rounded down to the nearest whole share; and

(ii) notwithstanding 2(i) below, if the Target Amount multiplied by the Payout Multiple multiplied by the Fair Market Value of the Company’s Stock on the First Settlement Date is equal to \$0 and the Company’s TSR over the Performance Cycle is greater than or equal to 2% and less than 5%, then the number of Earned RSUs shall be equal to \$500,000 divided by the Fair Market Value of the Company’s Stock on the First Settlement Date rounded down to the nearest whole share.

(2) “Payout Multiple” shall be a value equal to:

(i) 0.0 if the CAGR of the Company’s TSR for the Performance Cycle is less than 2%;

(ii) 0.2 if the CAGR of the Company’s TSR for the Performance Cycle is 5%; and

(iii) 0.2 plus an additional 0.2 for each 0.5% increase in the CAGR of the Company’s TSR above 5% for the Performance Cycle; provided, however that in no event shall the Payout Multiple be greater than 5.0.

(3) The beginning share price for the determination of the CAGR of the Company’s TSR for the Performance Cycle shall be the close price on the Date of Grant and the ending share price shall be the 90 day average stock price (plus dividends paid and reinvested in Stock over the term) as of the last day of the Performance Cycle.

**CARNIVAL CORPORATION & PLC**  
**Ratio of Earnings to Fixed Charges**  
(in millions, except ratios)

	<b>Nine Months Ended</b>	
	<b>August 31,</b>	
	<b>2014</b>	<b>2013</b>
Net income	\$ 1,338	\$ 1,012
Income tax expense, net	2	3
Income before income taxes	1,340	1,015
Fixed charges		
Interest expense, net	213	237
Interest portion of rent expense (a)	16	14
Capitalized interest	16	11
Total fixed charges	245	262
Fixed charges not affecting earnings		
Capitalized interest	(16)	(11)
Earnings before fixed charges	\$ 1,569	\$ 1,266
Ratio of earnings to fixed charges	6.4	4.8

(a) Represents one-third of rent expense, which we believe to be representative of the interest portion of rent expense.



I, Arnold W. Donald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 3, 2014

By: /s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

I, David Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 3, 2014

By: /s/ David Bernstein  
David Bernstein  
Chief Financial Officer

I, Arnold W. Donald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 3, 2014

By: /s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

I, David Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 3, 2014

By: /s/ David Bernstein  
David Bernstein  
Chief Financial Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2014 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: October 3, 2014

By: /s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2014 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: October 3, 2014

By: /s/ David Bernstein  
David Bernstein  
Chief Financial Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2014 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: October 3, 2014

By: /s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2014 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: October 3, 2014

By: /s/ David Bernstein  
David Bernstein  
Chief Financial Officer