

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 February 28, 2009

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: 1-9610

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: 1-15136

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 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
Non-Accelerated filers

Accelerated filers
Smaller reporting company

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

At March 30, 2009, Carnival Corporation had outstanding 625,905,098 shares of Common Stock, \$.01 par value.

At March 30, 2009, Carnival plc had outstanding 213,369,621 Ordinary Shares \$1.66 par value, one Special Voting Share, GBP 1.00 par value and 625,905,098 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	Three Months Ended February 28/29,	
	2009	2008
Revenues		
Cruise		
Passenger tickets	\$ 2,219	\$ 2,438
Onboard and other	634	702
Other	11	12
	<u>2,864</u>	<u>3,152</u>
Costs and Expenses		
Operating		
Cruise		
Commissions, transportation and other	514	558
Onboard and other	104	125
Payroll and related	352	360
Fuel	208	392
Food	198	207
Other ship operating	458	454
Other	16	18
Total	<u>1,850</u>	<u>2,114</u>
Selling and administrative	392	425
Depreciation and amortization	311	301
	<u>2,553</u>	<u>2,840</u>
Operating Income	<u>311</u>	<u>312</u>
Nonoperating (Expense) Income		
Interest income	4	10
Interest expense, net of capitalized interest	(96)	(98)
Other income, net	19	2
	<u>(73)</u>	<u>(86)</u>
Income Before Income Taxes	238	226
Income Tax Benefit, Net	22	10
Net Income	<u>\$ 260</u>	<u>\$ 236</u>
Earnings Per Share		
Basic	<u>\$ 0.33</u>	<u>\$ 0.30</u>
Diluted	<u>\$ 0.33</u>	<u>\$ 0.30</u>
Dividends Declared Per Share		<u>\$ 0.40</u>

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in millions, except par values)

	February 28, 2009	November 30, 2008	February 29, 2008
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 607	\$ 650	\$ 966
Trade and other receivables, net	402	418	434
Inventories	305	315	331
Prepaid expenses and other	245	267	292
Total current assets	<u>1,559</u>	<u>1,650</u>	<u>2,023</u>
Property and Equipment, Net	26,225	26,457	26,542
Goodwill	3,225	3,266	3,593
Trademarks	1,281	1,294	1,389
Other Assets	546	733	598
	<u>\$ 32,836</u>	<u>\$ 33,400</u>	<u>\$ 34,145</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Short-term borrowings	\$ 283	\$ 256	\$ 188
Current portion of long-term debt	1,269	1,081	1,333
Convertible debt subject to current put options	273	271	1,398
Accounts payable	496	512	477
Accrued liabilities and other	739	1,142	1,203
Customer deposits	2,280	2,519	2,794
Total current liabilities	<u>5,340</u>	<u>5,781</u>	<u>7,393</u>
Long-Term Debt	7,690	7,735	6,271
Other Long-Term Liabilities and Deferred Income	652	786	741
Contingencies (Note 3)			
Shareholders' Equity			
Common stock of Carnival Corporation; \$0.01 par value; 1,960 shares authorized; 644 shares at 2009 and 643 shares at November and February 2008 issued	6	6	6
Ordinary shares of Carnival plc; \$1.66 par value; 226 shares authorized; 213 shares at 2009 and 2008 issued	354	354	354
Additional paid-in capital	7,687	7,677	7,626
Retained earnings	14,240	13,980	12,832
Accumulated other comprehensive (loss) income	(847)	(623)	1,219
Treasury stock; 18 shares at 2009 and 19 shares at November and February 2008 of Carnival Corporation and 52 shares at 2009 and November 2008 and 51 shares at February 2008 of Carnival plc, at cost	(2,286)	(2,296)	(2,297)
Total shareholders' equity	<u>19,154</u>	<u>19,098</u>	<u>19,740</u>
	<u>\$ 32,836</u>	<u>\$ 33,400</u>	<u>\$ 34,145</u>

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

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

	Three Months Ended February 28/29,	
	2009	2008
OPERATING ACTIVITIES		
Net income	\$ 260	\$ 236
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	311	301
Share-based compensation	19	19
Other	(9)	5
Changes in operating assets and liabilities		
Receivables	6	(1)
Inventories	8	1
Prepaid expenses and other	12	(47)
Accounts payable	(13)	(84)
Accrued and other liabilities	(74)	(63)
Customer deposits	(215)	6
Net cash provided by operating activities	<u>305</u>	<u>373</u>
INVESTING ACTIVITIES		
Additions to property and equipment	(306)	(258)
Other, net	(7)	(3)
Net cash used in investing activities	<u>(313)</u>	<u>(261)</u>
FINANCING ACTIVITIES		
Proceeds from revolving credit facility	1,048	1,650
Principal repayments of revolving credit facility	(858)	(1,226)
Proceeds from issuance of other long-term debt	200	
Principal repayments of other long-term debt	(91)	(197)
(Repayments of) proceeds from short-term borrowings, net	(115)	70
Dividends paid	(314)	(316)
Purchases of treasury stock	(9)	(84)
Proceeds from settlement of foreign currency swaps	113	
Other, net	6	7
Net cash used in financing activities	<u>(20)</u>	<u>(96)</u>
Effect of exchange rate changes on cash and cash equivalents	(15)	7
Net (decrease) increase in cash and cash equivalents	(43)	23
Cash and cash equivalents at beginning of period	650	943
Cash and cash equivalents at end of period	<u>\$ 607</u>	<u>\$ 966</u>

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

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

NOTE 1 – Basis of Presentation

Carnival Corporation is incorporated in Panama, and Carnival plc is incorporated in England and Wales. Carnival Corporation and Carnival plc operate a dual listed company (“DLC”), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation’s articles of incorporation and by-laws and Carnival plc’s memorandum of association and articles of association. The two companies operate as if they are a single economic enterprise, but each has retained its separate legal identity.

The accompanying 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 accompanying consolidated balance sheets at February 28/29, 2009 and 2008 and the consolidated statements of operations and cash flows for the three months ended February 28/29, 2009 and 2008 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 2008 joint Annual Report on Form 10-K. Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire year.

NOTE 2 – Debt

At February 28, 2009, unsecured short-term borrowings consisted of euro and U.S. dollar-denominated bank loans of \$281 million and \$2 million, respectively, with an aggregate weighted-average interest rate of 2.1%.

In February 2009, we entered into a \$200 million unsecured term loan, which bears interest at 4.5% and matures in February 2012.

NOTE 3 – Contingencies

Litigation

In January 2006, a lawsuit was filed against Carnival Corporation and its subsidiaries and affiliates, and other non-affiliated cruise lines in New York on behalf of a purported class of owners of intellectual property rights to musical plays and other works performed in the U.S. The plaintiffs claim infringement of copyrights to Broadway, off Broadway and other plays. The suit seeks payment of (i) damages, (ii) disgorgement of alleged profits and (iii) an injunction against future infringement. On March 25, 2009, the court dismissed without prejudice the claims against Carnival Corporation and its subsidiaries and affiliates, because of the plaintiffs’ failure to state their claims with the required specificity. The plaintiffs may file an amended complaint within 30 days of the dismissal. The ultimate outcome of this matter cannot be determined at this time.

The Office of the Attorney General of Florida (“Attorney General”) is conducting an investigation to determine whether there is or has been a violation of Florida antitrust laws in connection with the setting by us and other unaffiliated cruise lines of our respective fuel supplements. We are providing our full cooperation to the Attorney General’s office.

In the normal course of our business, various other 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. However, the ultimate outcome of these claims and lawsuits which are not covered by insurance cannot be determined at this time.

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

At February 28, 2009, Carnival Corporation had estimated contingent obligations totaling \$569 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, one of which includes American International Group Inc. (“AIG”), who agreed to act as payment undertakers and directly pay these obligations. Accordingly, these contingent obligations are considered extinguished, and neither the funds nor the contingent obligations have been included on our balance sheets.

In the event that Carnival Corporation were to default on its obligations and assuming performance by all other participants, we estimate that we would, as of February 28, 2009, be responsible for a termination payment of approximately \$90 million. In 2017 we have the right to exercise options that would terminate these two LILO transactions at no cost to us.

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 we will incur additional costs, although we estimate that they will be immaterial to our financial statements. All of the financial institution payment undertakers with this AA- credit rating threshold have credit ratings of AAA. If Carnival Corporation’s credit rating, which is BBB+, falls below BBB, it will be required to provide a standby letter of credit for \$64 million, or alternatively provide mortgages for this aggregate amount on these two ships.

In September 2008, the credit ratings of AIG and its subsidiaries involved in one of the above LILO transactions were downgraded from AA- to A-. As a result of this downgrade, AIG pledged collateral to support its continuing payment undertaker obligations as required under the terms of this LILO transaction.

Carnival Corporation and AIG were also parties to a third LILO transaction. In September 2008, we replaced AIG as the payment undertaker under this third LILO transaction by purchasing \$80 million of U.S. Treasury strip securities with funds substantially all provided by AIG. In February 2009, Carnival and the remaining participants voluntarily unwound this LILO transaction. Accordingly, the \$80 million of long-term U.S. Treasury strip securities that we held as collateral for our recorded LILO obligation was released to extinguish this obligation. As a result of the unwinding of this third LILO transaction, we recorded a \$15 million nonoperating gain in February 2009, which had originally been deferred at the inception of the LILO transaction and was being amortized over the term of the LILO.

Contingent Obligations – Indemnifications

Some of the debt agreements 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 – Comprehensive Income

Comprehensive income was as follows (in millions):

	Three Months Ended February 28/29,	
	2009	2008
Net income	\$ 260	\$ 236
Items included in other comprehensive income (“OCI”)		
Foreign currency translation adjustment	(221)	(77)
Changes related to cash flow derivative hedges, net		5
Unrealized loss on marketable security	(3)	(5)
Other comprehensive loss	(224)	(77)
Total comprehensive income	<u>\$ 36</u>	<u>\$ 159</u>

NOTE 5 – Segment Information

Our cruise segment includes all our cruise brands, which have been aggregated as a single reportable segment based on the similarity of their economic and other characteristics, including the products and services they provide. Substantially all of our other segment represents the hotel, tour and transportation operations of Holland America Tours and Princess Tours.

Selected segment information for our cruise and other segments was as follows (in millions):

	Three Months Ended February 28/29,				
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
2009					
Cruise	\$ 2,853	\$ 1,834	\$ 384	\$ 302	\$ 333
Other	13	18	8	9	(22)
Intersegment elimination	(2)	(2)			
	<u>\$ 2,864</u>	<u>\$ 1,850</u>	<u>\$ 392</u>	<u>\$ 311</u>	<u>\$ 311</u>
2008					
Cruise	\$ 3,140	\$ 2,096	\$ 417	\$ 292	\$ 335
Other	14	20	8	9	(23)
Intersegment elimination	(2)	(2)			
	<u>\$ 3,152</u>	<u>\$ 2,114</u>	<u>\$ 425</u>	<u>\$ 301</u>	<u>\$ 312</u>

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 February 28/29,	
	2009	2008
Net income	\$ 260	\$ 236
Interest on dilutive convertible notes	3	6
Net income for diluted earnings per share	<u>\$ 263</u>	<u>\$ 242</u>
Weighted-average common and ordinary shares outstanding	787	786
Dilutive effect of convertible notes	15	26
Dilutive effect of stock plans	1	2
Diluted weighted-average shares outstanding	<u>803</u>	<u>814</u>
Basic earnings per share	<u>\$ 0.33</u>	<u>\$ 0.30</u>
Diluted earnings per share	<u>\$ 0.33</u>	<u>\$ 0.30</u>

Options to purchase 15.6 million and 12.2 million shares for the three months ended February 28/29, 2009 and 2008, respectively, were excluded from our diluted earnings per share computations since the effect of including them was anti-dilutive. In addition, 5.1 million and 6.3 million shares of Carnival Corporation that are contingently issuable under the features of its 1.75% convertible notes and zero-coupon notes are also excluded from our 2009 and 2008 first quarter diluted earnings per share computations, respectively, since the effect of including them was also anti-dilutive.

NOTE 7 – Fair Value Measurements, Derivative Instruments and Hedging Activities

Fair Value Measurements

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

Financial Instruments	Fair Value Measurements on a Recurring Basis			
	February 28, 2009		November 30, 2008	
	Level 1(a)	Level 2(b)	Level 1(a)	Level 2(b)
Cash equivalents(c)	\$ 340		\$ 305	
Marketable securities held in rabbi trusts(d)	\$ 87	\$ 19	\$ 92	\$ 21
Derivatives:				
Ship foreign currency forwards and options(e)		\$ (21)		\$ (20)
Net investment hedges(f)		\$ 9		\$ 13
Debt related currency swaps(g)				\$ 104
Interest rate swaps(h)		\$ 5		\$ 5

- (a) Level 1 measurements are based on inputs from quoted prices for identical assets in active markets.
- (b) Level 2 measurements are based on inputs from quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted prices that are observable for the asset or liability.
- (c) Cash equivalents are comprised of money market funds.
- (d) Marketable securities held in rabbi trusts are comprised primarily of mutual funds invested in common stocks, bonds and other investments.
- (e) At February 28, 2009 and November 30, 2008, we have foreign currency forwards and options totaling \$987 million that are designated as foreign currency cash flow hedges for two of our euro-denominated shipbuilding contracts. In addition, at February 28, 2009 we have a foreign currency forward for \$194 million that is designated as a foreign currency fair value hedge of another euro shipbuilding contract. These foreign currency forwards mature in 2009 and the options mature through 2010.
- (f) At February 28, 2009 and November 30, 2008, we have foreign currency forwards totaling \$285 million and \$284 million, respectively, that are designated as hedges of our net investments in foreign subsidiaries, which have a euro-denominated functional currency. These foreign currency forwards mature through 2017 and were entered into to effectively convert U.S. dollar-denominated debt into euro debt.
- (g) At November 30, 2008, we also had designated foreign currency cash flow swaps that effectively converted \$398 million of U.S. dollar fixed interest rate debt into sterling fixed interest rate debt. The changes in fair value are included as a component of accumulated other comprehensive income (“AOCI”). In December 2008, we settled these foreign currency swaps and thus re-aligned the debt with the parent company’s U.S. dollar functional currency.
- (h) We have an interest rate swap designated as a fair value hedge whereby we receive fixed interest rate payments in exchange for making variable interest rate payments. At February 28, 2009 and November 30, 2008, this interest rate swap agreement effectively changed \$96 million of fixed rate debt to LIBOR-based floating rate debt. This interest rate swap matures through 2010.

In February 2008, the Financial Accounting Standards Board (“FASB”) issued FASB Staff Position FAS 157-2, “Effective date of FASB Statement No. 157.” This statement provided a one year deferral of Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements” (“SFAS No. 157”) effective date for nonfinancial assets and liabilities. Accordingly, for nonfinancial assets and liabilities SFAS No. 157 became effective for us as of December 1, 2008, and may impact the determination of our goodwill, trademarks and other long-lived assets’ fair values, when or if we have to perform impairment reviews.

Derivative Instruments and Hedging Activities

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133” (“SFAS No. 161”). SFAS No. 161 requires entities to provide greater transparency in interim and annual financial statements about how and why the entity uses derivative instruments, how the instruments and related hedged items are accounted for under SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities” (“SFAS No. 133”), and how the instruments and related hedged items affect the financial position, results of operations, and cash flows of the entity. We adopted SFAS No. 161 effective December 1, 2008.

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 foreign currency exchange rates, and interest rate swaps to manage our interest rate exposure to achieve a desired proportion of variable and fixed rate debt. Our policy is to not use any financial instruments for trading or other speculative purposes.

All derivatives are recorded at fair value, and the changes in fair value are immediately included in earnings if the derivatives do not qualify as effective hedges. 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 are recognized as a component of AOCI until the underlying hedged item is recognized in earnings or the forecasted transaction is no longer probable of occurring. If a derivative or a nonderivative financial instrument is designated as a hedge of our net investment in a foreign subsidiary, 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 all 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 value of all our derivative contracts and the fair value of our hedged firm commitments as either current or long-term, which are included in prepaid expenses and other assets and accrued and other liabilities, 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.

SFAS No. 161 requires tabular disclosures of the impact that derivatives instruments and hedging activities have on our financial statements. We have not provided these disclosures because the amounts as of and for the three months ended February 28, 2009 are not significant. In addition, there are no amounts excluded from the assessment of hedge effectiveness and there are no credit risk related contingent features in our derivative agreements. Finally, the amount of estimated cash flow hedges’ unrealized net gains or losses which are expected to be reclassified to earnings in the next twelve months is not significant.

Foreign Currency Exchange Rate Risk

Operational and Investment Currency Risk

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 focus is to manage the economic risks faced by our operations, which are the real foreign currency exchange risks that will ultimately be realized by us when we exchange one currency for another, and not the accounting risks. The financial impacts of these hedging instruments are generally offset by corresponding changes in the underlying exposures being hedged.

We consider our investments in foreign subsidiaries to be denominated in relatively stable currencies and of a long-term nature. We partially address our net investment currency exposures by denominating a portion of our debt, including the effect of foreign currency swaps, in our subsidiaries' functional currencies (generally the euro or sterling). As of February 28, 2009 and November 30, 2008, we have designated \$1.4 billion and \$1.6 billion of our euro debt and \$318 million and \$343 million of our sterling debt and other obligations, respectively, which mature through 2019, as nonderivative hedges of our net investments in foreign subsidiaries. Accordingly, we have included \$367 million and \$319 million of cumulative foreign currency transaction gains in the cumulative translation adjustment component of AOCI at February 28, 2009 and November 30, 2008, respectively.

Newbuild Currency Risk

The majority of our newbuild capacity on order is for our European brands for which we do not have significant currency risk because all our ships are contracted for in euros, which is these brands' functional currency. However, our U.S. dollar and sterling functional currency brands have foreign currency exchange rate risks related to our outstanding or possible future commitments under ship construction contracts denominated in euros. These foreign currency commitments are affected by fluctuations in the value of the functional currency as compared to the currency in which the shipbuilding contract is denominated. We use foreign currency contracts and have used nonderivative financial instruments to manage foreign currency exchange rate risk for some of our ship construction contracts.

Our decisions regarding whether or not to hedge a given ship commitment for our North American and UK brands are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility, exchange rate correlation, economic trends and other offsetting risks.

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 variable interest rates, and evaluating our debt portfolio to make periodic adjustments to the mix of variable and fixed rate debt through the use of interest rate swaps and the issuance of new debt.

Note 8 – Shareholders' Equity

In February 2009, we issued 450,000 shares of Carnival Corporation common stock for \$10 million of net proceeds, substantially all of which was used to fund the repurchase of 450,000 shares of Carnival plc ordinary shares. In this offering, we have issued Carnival Corporation common stock in the U.S., only to the extent we could purchase shares of Carnival plc in the UK on at least an equivalent basis, with the remaining proceeds used for general corporate purposes.

NOTE 9 – Recent Accounting Pronouncement

In May 2008, the FASB issued Financial Accounting Standards Board Staff Position Accounting Principles Board 14-1 “Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)” (“APB 14-1”). APB 14-1 requires the issuer of certain convertible debt instruments that may be settled in cash, or other assets, on conversion to separately account for the debt and equity components in a manner that reflects the issuer’s non-convertible debt borrowing rate. APB 14-1 will be adopted by us in the first quarter of fiscal 2010 on a retrospective basis. We believe that the impact of adopting APB 14-1 will not have a material effect on previously reported diluted earnings per share, however, our net income will be reduced. We are still in the process of determining the amount of such reductions.

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 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere 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. We have tried, whenever possible, to identify these statements by using words like “will,” “may,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “forecast,” “future,” “intend,” “plan,” “estimate” and similar expressions of future intent or the negative of such terms.

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. Forward-looking statements include those statements which may impact the forecasting of our earnings per share, net revenue yields, booking levels, pricing, occupancy, operating, financing and/or tax costs, fuel expenses, costs per available lower berth day (“ALBD”), estimates of ship depreciable lives and residual values, liquidity, goodwill and trademark fair values, outlook or business prospects. These factors include, but are not limited to, the following:

- general economic and business conditions, including fuel price increases and declines in the securities, real estate and other markets, and perceptions of these conditions may adversely impact the levels of our potential vacationers’ discretionary income and net worth and this group’s confidence in their country’s economy;
- fluctuations in foreign currency exchange rates, particularly the strengthening of the U.S. dollar against the euro and sterling;
- the international political climate, armed conflicts, terrorist and pirate attacks and threats thereof, and other world events affecting the safety and security of travel;
- conditions in the cruise and land-based vacation industries, including competition from other cruise ship operators and providers of other vacation alternatives and overcapacity offered by cruise ship and land-based vacation alternatives;
- accidents, adverse weather conditions or natural disasters, such as hurricanes and earthquakes and other incidents (including machinery and equipment failures or improper operation thereof) which could cause injury or death or the alteration of itineraries or cancellation of a cruise or series of cruises or tours, and the impact of the spread of contagious diseases;
- adverse publicity concerning the cruise industry in general, or us in particular;
- lack of acceptance of new itineraries, products and services by our guests;
- changing consumer preferences;
- changes in and compliance with laws and regulations relating to employment, environmental, health, safety, security, tax and other regulatory regimes under which we operate;
- increases in global fuel demand and pricing, fuel supply disruptions and/or other events on our fuel and other expenses, liquidity and credit ratings;
- increases in our future fuel expenses of implementing recently approved International Maritime Organization regulations, which require the use of higher priced low sulfur fuels in certain cruising areas;
- changes in operating and financing costs, including changes in interest rates, food, insurance, payroll and security costs;
- our ability to implement our shipbuilding programs and ship refurbishments and repairs, including ordering additional ships for our cruise brands from European shipyards on terms that are favorable or consistent with our expectations;

- our ability to implement our brand strategies and to continue to operate and expand our business internationally;
- 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;
- our ability to attract and retain qualified shipboard crew and maintain good relations with employee unions;
- continuing financial viability of our travel agent distribution system, air service providers and cruise shipyards;
- availability and pricing of air travel services, especially as a result of significant increases in air travel costs;
- changes in the global credit markets on our counterparty risks, including those associated with our cash equivalents, committed financing facilities, contingent obligations, derivative instruments, insurance contracts and new ship progress payment guarantees;
- our decisions to self-insure against various risks or our inability to obtain insurance for certain risks at reasonable rates;
- disruptions and other damages to our information technology networks;
- lack of continued availability of attractive port destinations; and
- risks associated with the DLC structure, including the uncertainty of its tax status.

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 listing 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 for the Remainder of Fiscal 2009

As of March 24, 2009, we said that we expected our earnings per share for the second quarter and full year of 2009 would be in the range of \$0.30 to \$0.32 and \$2.10 to \$2.30, respectively. Our guidance was based on the assumptions in the table below.

As of March 31, 2009, updated only for the current assumptions in the table below, our earnings per share for the second quarter and full year of 2009 would decrease by \$0.01 and \$0.06, respectively.

	Second Quarter 2009		Full Year 2009	
	March 24	March 31	March 24	March 31
Fuel cost per metric ton	\$ 285	\$ 294	\$ 279	\$ 287
Currency				
U.S. dollar to €1	\$ 1.36	\$ 1.33	\$ 1.35	\$ 1.33
U.S. dollar to £1	\$ 1.44	\$ 1.43	\$ 1.45	\$ 1.44

The above forward-looking statements involve risks and uncertainties. Various factors could cause our actual results to differ materially from those expressed above including, but not limited to, economic conditions, foreign currency exchange rates, fuel expenses, weather, regulatory changes, geopolitical and other factors that could impact consumer demand or costs and expenses. You should read the above forward-looking statement together with the discussion of these and other risks under “Cautionary Note Concerning Factors That May Affect Future Results.”

Critical Accounting Estimates

The impairment reviews of our ships and goodwill and trademarks, which have been allocated to our cruise line reporting units, require us to make significant estimates to determine the fair values of these assets or reporting units. The determination of these fair values includes numerous uncertainties.

Since early November 2008, our stock market capitalization has generally been lower than our shareholders' equity or book value. However, our brands have continued to generate substantial cash flow from their operations, and we expect that they will continue to do so in 2009 and in future years. Furthermore, given the relatively small difference between our stock price and our book value per share, we believe that a reasonable potential buyer would offer a control premium for our business franchise that would adequately cover the difference between our trading prices and our book value. Accordingly, we do not believe there have been any events or circumstances that would require us to perform interim goodwill and/or trademark impairment reviews.

However, due to the ongoing uncertainty in market conditions, which may negatively impact the performance of our reporting units, we will continue to monitor and evaluate the carrying values of our goodwill and trademarks. If market and economic conditions or our units' business performance deteriorates significantly then we would perform interim impairment reviews. Any such impairment reviews could result in recognition of a goodwill and/or trademark impairment charge in 2009 or thereafter.

For a further discussion of our critical accounting estimates, see "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is included in Carnival Corporation & plc's 2008 joint Annual Report on Form 10-K.

Seasonality and Expected Capacity Growth

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

The year-over-year percentage increase in our ALBD capacity for the second, third and fourth quarters of 2009 is currently expected to be 5.6%, 5.6% and 7.6%, respectively. Our annual ALBD capacity increase for fiscal 2009, 2010, 2011 and 2012 is currently expected to be 5.3%, 8.0%, 5.8% and 3.7%, respectively. The above percentage increases result primarily from new ships entering service and exclude any other future ship orders, acquisitions, retirements or sales.

Selected Cruise and Other Information

Selected cruise and other information was as follows:

	Three Months Ended February 28/29,	
	2009	2008
Passengers carried (in thousands)	1,869	1,910
Occupancy percentage(a)	103.9%	104.3%
Fuel consumption (metric tons in thousands)	752	785
Fuel cost per metric ton(b)	\$ 276	\$ 499
Currency		
U.S. dollar to €1	\$ 1.32	\$ 1.47
U.S. dollar to £1	\$ 1.46	\$ 1.98

- (a) In accordance with cruise industry practice, occupancy is calculated using a denominator of 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.
- (b) Fuel cost per metric ton is calculated by dividing the cost of our fuel by the number of metric tons consumed.

Three Months Ended February 28, 2009 (“2009”) Compared to the Three Months Ended February 29, 2008 (“2008”)

Revenues

Our total revenues decreased \$288 million, or 9.1%, from \$3.2 billion in 2008 to \$2.9 billion in 2009. This was driven by a \$360 million revenue decrease that was primarily due to the impact of a stronger U.S. dollar against the euro and sterling compared to 2008, as well as the adverse impact of the economic downturn on our cruise ticket pricing and onboard and other revenues. This revenue decrease was partially offset by our 2.3% capacity increase in ALBDs (see “Key Performance Non-GAAP Financial Indicators”). Our capacity increased 1.9% for our North American cruise brands and 6.2% for our European cruise brands in 2009 compared to 2008, as we continue to implement our strategy of expanding in the European cruise marketplace.

Onboard and other revenues included concessionaire revenues of \$176 million in 2009 and \$186 million in 2008. Onboard and other revenues decreased \$68 million in 2009 compared to 2008, primarily because there was lower onboard spending for most of the major activities, as well as the impact of the stronger U.S. dollar against the euro and sterling compared to 2008, partially offset by our 2.3% increase in ALBDs.

Costs and Expenses

Operating costs decreased \$264 million, or 12.5%, from \$2.1 billion in 2008 to \$1.9 billion in 2009. This decrease was primarily due to \$167 million of lower fuel prices, in addition to the impact of the stronger U.S. dollar against the euro and sterling compared to 2008. This decrease was partially offset as a result of increased capacity driven by our 2.3% increase in ALBDs and a \$26 million increase in dry-dock expenses.

Selling and administration expenses decreased \$33 million, or 7.8%, from \$425 million in 2008 to \$392 million in 2009. The decrease was primarily currency driven, and was partially offset by our 2.3% increase in ALBDs.

Depreciation and amortization expense increased \$10 million, or 3.3%, from \$301 million in 2008 to \$311 million in 2009, primarily due to the 2.3% increase in ALBDs through the addition of new ships and additional ship improvement expenditures.

Our total costs and expenses as a percentage of revenues declined from 90.1% in 2008 to 89.1% in 2009.

Operating Income

Our operating income was flat as the decreased revenues resulting primarily from both the stronger U.S. dollar against the euro and sterling compared to 2008 and the adverse impact of the economic downturn were offset by lower costs and expenses resulting primarily from both lower fuel prices and the stronger U.S. dollar against the euro and sterling compared to 2008.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased \$1 million to \$102 million in 2009 from \$101 million in 2008. On a constant dollar basis, this increase was due to a \$12 million increase in interest expense from a higher level of average borrowings and \$6 million of lower interest income due to a lower average level of invested cash and lower average interest rates on invested balances, partially offset by a \$13 million decrease from lower average interest rates on average borrowings. In addition, interest expense decreased by \$4 million as a result of the stronger U.S. dollar against the euro and sterling compared to 2008.

Other income, net increased \$17 million to \$19 million in 2009 from \$2 million in 2008, primarily because of the \$15 million gain recognized upon the unwinding of one of our LILLO transactions.

Income Taxes

Income tax benefit increased \$12 million to \$22 million in 2009 from \$10 million in 2008, primarily because of the reversal of uncertain income tax position liabilities, which were no longer required. During both the first quarters of 2009 and 2008, we have recorded tax benefits generated by the seasonal losses of our Alaska tour operation.

Key Performance Non-GAAP Financial Indicators

ALBDs is a standard measure of passenger capacity for the period, which we use to perform rate and capacity variance 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.

We use net cruise revenues per ALBD (“net revenue yields”) and net cruise costs per ALBD as significant non-GAAP financial measures of our cruise segment financial performance. These measures enable us to separate the impact of predictable capacity changes from the more unpredictable rate changes that affect our business. We believe these non-GAAP measures provide a better gauge to measure our revenue and cost performance instead of the standard U.S. GAAP-based financial measures. There are no specific rules for determining our non-GAAP financial measures and, accordingly, it is possible that they may not be exactly comparable to the like-kind information presented by other cruise companies, which is a potential risk associated with using them to compare us to other cruise companies.

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 transportation and certain other variable direct costs associated with onboard and other revenues. Substantially all of our remaining cruise costs are largely fixed, except for the impact of changing prices, once our ship capacity levels have been determined.

Net cruise costs per ALBD is the most significant measure we use to monitor our ability to control our cruise segment 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 to avoid duplicating these variable costs in these two non-GAAP financial measures.

In addition, because a significant portion of our operations utilize the euro or sterling 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 our two non-GAAP financial measures assuming the current period currency exchange rates have remained constant with the prior year’s comparable period rates, or on a “constant dollar basis,” in order to remove the impact of changes in exchange rates on our non-U.S. dollar cruise operations. We believe that this is a useful measure since it facilitates a comparative view of the growth of our business in a fluctuating currency exchange rate environment.

Gross and net revenue yields were computed by dividing the gross or net revenues, without rounding, by ALBDs as follows:

	Three Months Ended February 28/29,		
	2009		
	2009	Constant Dollar	2008
	(in millions, except ALBDs and yields)		
Cruise revenues			
Passenger tickets	\$ 2,219	\$ 2,400	\$ 2,438
Onboard and other	634	667	702
Gross cruise revenues	2,853	3,067	3,140
Less cruise costs			
Commissions, transportation and other	(514)	(574)	(558)
Onboard and other	(104)	(110)	(125)
Net cruise revenues	\$ 2,235	\$ 2,383	\$ 2,457
ALBDs	14,492,250	14,492,250	14,161,289
Gross revenue yields	\$ 196.84	\$ 211.60	\$ 221.71
Net revenue yields	\$ 154.25	\$ 164.42	\$ 173.45

Gross and net cruise costs per ALBD were computed by dividing the gross or net cruise costs, without rounding, by ALBDs as follows:

	Three Months Ended February 28/29,		
	2009		
	2009	Constant Dollar	2008
	(in millions, except ALBDs and costs per ALBD)		
Cruise operating expenses	\$ 1,834	\$ 1,973	\$ 2,096
Cruise selling and administrative expenses	384	411	417
Gross cruise costs	2,218	2,384	2,513
Less cruise costs included in net cruise revenues			
Commissions, transportation and other	(514)	(574)	(558)
Onboard and other	(104)	(110)	(125)
Net cruise costs	\$ 1,600	\$ 1,700	\$ 1,830
ALBDs	14,492,250	14,492,250	14,161,289
Gross cruise costs per ALBD	\$ 153.02	\$ 164.51	\$ 177.48
Net cruise costs per ALBD	\$ 110.43	\$ 117.32	\$ 129.22

Net cruise revenues decreased \$222 million, or 9.0%, to \$2.2 billion in 2009 from \$2.5 billion in 2008. This was driven by a \$279 million, or 11.1%, decrease in net revenue yields in 2009 compared to 2008 (gross revenue yields decreased by 11.2%). This decrease was partially offset by a 2.3% increase in ALBDs between 2009 and 2008 that accounted for \$57 million. The net revenue yield decrease in 2009 was primarily due to the impact of a stronger U.S. dollar against the euro and sterling compared to 2008, as well as the adverse impact of the economic downturn on our cruise ticket pricing and onboard and other revenues. Net revenue yields as measured on a constant dollar basis decreased 5.2% in 2009 compared to 2008, which was comprised of a 5.0% decrease in passenger ticket yields and a 5.8% decrease in onboard and other revenue yields. Gross cruise revenues decreased \$287 million, or 9.1%, to \$2.9 billion in 2009 from \$3.1 billion in 2008 for largely the same reasons as discussed above for net cruise revenues.

Net cruise costs decreased \$230 million, or 12.6%, to \$1.6 billion in 2009 from \$1.8 billion in 2008. This was driven by a \$273 million decrease in net cruise costs per ALBD, which decreased 14.5% in 2009 compared to 2008 (gross cruise costs per ALBD decreased 13.8%). This decrease was partially offset by the 2.3% increase in ALBDs between 2009 and 2008 that accounted for \$43

million. The 14.5% decrease in net cruise costs per ALBD was primarily the result of a 44.6% decrease in fuel price to \$276 per metric ton in 2009, which resulted in a decrease in fuel expense of \$167 million compared to 2008 and the stronger U.S. dollar against the euro and sterling compared to 2008. Net cruise costs per ALBD as measured on a constant dollar basis decreased 9.2% in 2009 compared to 2008. On a constant dollar basis, net cruise costs per ALBD excluding fuel increased 1.4% compared to 2008 primarily due to the increase in dry-docking expenses. Gross cruise costs decreased \$295 million, or 11.7%, in 2009 to \$2.2 billion from \$2.5 billion in 2008 for largely the same reasons as discussed above for net cruise costs.

Liquidity and Capital Resources

As discussed under Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2008 joint Annual Report on Form 10-K, we believe preserving cash and liquidity at this time is a prudent step which will further strengthen our balance sheet and enhance our financial flexibility. Accordingly in October 2008, the Board of Directors voted to suspend our quarterly dividend beginning March 2009. We intend to maintain the dividend suspension throughout 2009. Our cash from operations and committed financing facilities for 2009 along with our available cash and cash equivalent balances are forecasted to be sufficient to fund our expected 2009 cash requirements. Therefore, we believe we will not be required to obtain new debt during 2009; however, we may do so opportunistically to enhance our liquidity. Our immediate objective is to ensure we have sufficient liquidity available with a high degree of certainty throughout 2009 despite current market conditions.

Our overall strategy is to maintain an acceptable level of liquidity with our available cash and cash equivalents and committed credit facilities for immediate and future liquidity needs and a reasonable debt maturity profile that is spread out over a number of years. To date, although our costs of borrowing have increased in certain cases and the availability of funding is not as widespread as it has been in the past, we continue to opportunistically put in place committed credit facilities. Given the decision by our Board of Directors to suspend the quarterly dividend and our current financial position, we do not expect the current highly volatile state of the financial markets will have a significant adverse impact on our ability to maintain an acceptable level of liquidity during the remainder of 2009.

Sources and Uses of Cash

Our business provided \$305 million of net cash from operations during the three months ended February 28, 2009, a decrease of \$68 million, or 18.2%, compared to fiscal 2008. This decrease was primarily driven by a \$221 million quarter-over-quarter decrease in the change in our customer deposit balances between the year-end and the end of the first quarter, partially offset by changes in other working capital expenditures. The decrease in customer deposits resulted primarily from guests booking cruises and paying their deposits closer to the sailing dates and cruises being purchased for lower ticket prices compared to the comparable prior period when guests booked their cruises and paid their deposits further in advance of the sailing dates and cruises were purchased for higher ticket prices.

At February 28/29, 2009 and 2008, we had working capital deficits of \$3.8 billion and \$5.4 billion, respectively. Our February 28, 2009 deficit included \$2.3 billion of customer deposits, which represent the passenger revenues we collect in advance of sailing dates and, accordingly, is substantially more of a deferred revenue item rather than an actual current cash liability. We use our long-term ship assets to realize a portion of this deferred revenue in addition to consuming current assets. In addition, our February 28, 2009 working capital deficit included \$1.8 billion of current debt obligations, which included \$835 million outstanding under one of our revolving credit facilities. This facility, substantially all of which matures in 2012, is available to provide long-term rollover financing of our current debt. After excluding customer deposits and current debt obligations from our February 28, 2009 working capital deficit balance, our non-GAAP adjusted working capital is \$324 million. As explained above, our business model allows us to operate with a significant working capital deficit and, accordingly, we believe we will continue to have a working capital deficit for the foreseeable future.

During the three months ended February 28, 2009, our net expenditures for capital projects were \$306 million, of which \$137 million was spent for our ongoing new shipbuilding program. In addition to our new shipbuilding program, we had capital expenditures of \$127 million for ship improvements and replacements and \$42 million for Alaska tour assets, cruise port facility developments and information technology and other assets.

During the three months ended February 28, 2009 we borrowed and repaid \$1.0 billion and \$858 million, respectively, under one of our revolving credit facilities in connection with our needs for cash at various times throughout the period. In addition during the three months ended February 28, 2009, we borrowed \$200 million of new long-term debt, and we repaid \$91 million of long-term debt primarily for scheduled payments under our export credit facilities. We also repaid \$115 million during the three months ended February 28, 2009 under our short-term borrowing facilities. Finally, we paid cash dividends of \$314 million and received \$113 million upon the settlement of foreign currency swaps.

Commitments and Funding Sources

Our contractual cash obligations as of February 28, 2009 have changed compared to November 30, 2008, primarily as a result of our debt and ship progress payments as noted above. We still have \$273 million of convertible debt outstanding, which has a put option in October 2009 and, accordingly, is classified as a current liability at February 28, 2009.

In October 2008, the Board of Directors voted to suspend our quarterly dividend beginning March 2009. We intend to maintain the dividend suspension throughout 2009, but will reevaluate our dividend policy based on circumstances prevailing during the remainder of the year.

At February 28, 2009, we had liquidity of \$3.7 billion. Our liquidity consisted of \$356 million of cash and cash equivalents, excluding cash on hand of \$251 million used for current operations, \$1.4 billion available for borrowing under our revolving credit facilities and \$1.9 billion under committed ship financing facilities. Of this \$1.9 billion of committed ship facilities, \$816 million is expected to be funded in 2009 and the balance of \$1.1 billion is expected to be funded in 2010, 2011 and 2012. Substantially all of our revolving credit facilities mature in 2012. We rely on, and have banking relationships with, numerous banks that have credit ratings of A or above, which we believe would assist us in attempting to access multiple sources of funding in the event that some lenders are unwilling or unable to lend to us. However, we believe that our revolving credit facilities and committed ship financings will be honored as required pursuant to their contractual terms.

Substantially all of our debt agreements contain one or more financial covenants as described in Note 5 to the financial statements in our 2008 joint Annual Report on Form 10-K. 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.

As of February 28, 2009, we believe we had met all of our debt covenants. In addition, based on our forecasted operating results, financial condition and cash flows for fiscal 2009, we expect to be in compliance with our debt covenants during fiscal 2009. However, our forecasted cash flow from operations and access to the capital markets 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."

We continue to generate substantial cash from operations and have strong investment grade credit ratings of A3/BBB+, which provide us with flexibility in most financial credit market environments to refinance our current debt, if necessary. Our Standard & Poor's Rating Services ("S&P") A- credit rating was downgraded to BBB+ and assigned a negative outlook on March 26, 2009, which reflects their continuing concerns that the weakened state of the economy and the pullback in consumer spending will pressure

our ability to sustain our BBB+ credit rating. This recent downgrade by S&P will result in a slight increase in our future borrowing costs. In addition, a further downgrade by S&P to BBB would result in a further increase in our borrowing costs on a prospective basis, but we do not believe it would have a material adverse impact on our financial results, our ability to obtain committed credit facilities or issue debt, or our ability to refinance our current debt or secure additional debt for future cash requirements.

Based primarily on our historical results, current financial condition and forecasts, we believe that our existing liquidity and cash flow from future operations will be sufficient to fund the majority of our expected capital projects (including shipbuilding commitments), debt service requirements, convertible debt redemptions, working capital and other firm commitments over the next several years. In addition, we believe that in most financial credit market environments we will be able to secure the necessary financings from financial institutions or through the offering of debt and/or equity securities in the public or private markets or take other actions to fund these remaining future cash requirements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

During the three months ended February 28, 2009, we entered into a foreign currency forward that is designated as a fair value hedge of the remaining *Seabourn Odyssey* euro-denominated shipyard payment at a rate of \$1.27 to the euro, or \$194 million.

We previously had designated foreign currency cash flow swaps that effectively converted \$398 million of U.S. dollar fixed interest rate debt into sterling fixed interest rate debt. The changes in fair value are included as a component of AOCI. In December 2008, we settled these foreign currency swaps and thus realigned the debt with the parent company's U.S. dollar functional currency.

At February 28, 2009, 68%, 29% and 3% (62%, 30% and 8% at November 30, 2008) of our debt was U.S. dollar, euro and sterling-denominated, respectively, including the effect of foreign currency swaps.

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 financial statements.

Item 4. Controls and Procedures.

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, 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 Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have evaluated our disclosure controls and procedures and have concluded, as of February 28, 2009, that they were effective as described above.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended February 28, 2009 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Inherent Limitations of Disclosure Controls and Procedures and Internal Control Over Financial Reporting

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there is only reasonable assurance that our controls will succeed in achieving their goals under all potential future conditions.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

A lawsuit was filed against Carnival Corporation and its subsidiaries and affiliates, and other non-affiliated cruise lines in the state of New York on behalf of a purported class of owners of intellectual property rights to musical plays and other works performed in the U.S. The plaintiffs claim infringement of copyrights to Broadway, off Broadway and other plays as previously reported in our 2008 joint Annual Report on Form 10-K. On March 25, 2009, the court dismissed without prejudice the claims against Carnival Corporation and its subsidiaries and affiliates, because of the plaintiffs' failure to state their claims with the required specificity. The plaintiffs may file an amended complaint within 30 days of the dismissal.

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

In June 2006, the Boards of Directors authorized the repurchase of up to an aggregate of \$1 billion of Carnival Corporation common stock and/or Carnival plc ordinary shares subject to certain restrictions. On September 19, 2007, the Boards of Directors increased the remaining \$578 million general repurchase authorization back to \$1 billion. The general repurchase authorization does not have an expiration date and may be discontinued by our Boards of Directors at any time.

In addition to the general repurchase authorization, in October 2008, the Boards of Directors authorized the repurchase of up to an aggregate of 19.2 million Carnival plc ordinary shares pursuant to the "Stock Swap" program described below. In addition to the Stock Swap program authorized repurchases, if we are able to repurchase shares on a greater than equivalent basis under the "Stock Swap" program using the net proceeds from the stock swap, we will do so using the availability under our general repurchase authorization as described above.

At April 1, 2009, the remaining availability under the general repurchase authorization was \$787 million. All Carnival plc ordinary share repurchases require annual shareholder approval and are subject to a maximum of 21.3 million ordinary shares. Shareholder approval is valid until the earlier of the conclusion of the Carnival plc 2009 annual general meeting, or October 21, 2009. It is not our present intention to repurchase shares of Carnival Corporation common stock and/or Carnival plc ordinary shares under the general repurchase authorization, except for repurchases resulting from our Stock Swap program.

"Stock Swap" Program

On October 31, 2008, we entered into an agreement with Merrill Lynch, Pierce, Fenner & Smith, Incorporated ("Merrill Lynch"), as sales agent, to issue and sell up to 19.2 million Carnival Corporation shares of common stock in the U.S. market, which shares are to be sold from time to time in ordinary brokers' transactions by Merrill Lynch (the "ATM Agreement"), and we filed a

prospectus supplement to the base prospectus contained in our joint shelf registration statement on Form S-3ASR (File No. 333-132306-01) (the “Joint Shelf Registration Statement”) with the SEC in respect of the shares of Carnival Corporation common stock to be issued and sold pursuant to the ATM Agreement. The Carnival Corporation common stock has been and will be sold at market prices and the sale proceeds have been and will be used to repurchase ordinary shares of Carnival plc in the UK market in open market transactions on at least an equivalent basis, with the remaining net proceeds, if any, used for general corporate purposes. The Joint Shelf Registration Statement became effective upon filing with the SEC, and expired on March 9, 2009. On March 11, 2009, we filed a new joint shelf registration statement with the SEC (File No. 333-157861), which became effective upon filing. Each share of Carnival Corporation common stock issued is paired with a trust share of beneficial interest in the P&O Princess Special Voting Trust, which holds a Special Voting Share issued by Carnival plc in connection with the DLC transaction.

We plan to use the “Stock Swap” program to avoid situations where Carnival plc ordinary shares are trading at a price that is a large percentage discount to the price of Carnival Corporation common stock. As a result, we expect to issue Carnival Corporation common stock in the U.S. market when and to the extent that we can complete the purchase of Carnival plc ordinary shares with a resulting economic benefit.

Under the “Stock Swap” program, from December 1, 2008 through February 28, 2009, we sold 450,000 shares of Carnival Corporation common stock at an average price of \$21.41 per share for gross proceeds of \$10 million and paid Merrill Lynch and others fees of \$72,000 and \$77,000, respectively, for total net proceeds of \$9 million. The shares sold were registered under the Securities Act of 1933. Substantially all the proceeds of these sales were used to purchase ordinary shares of Carnival plc as described below.

<u>Period</u>	<u>Total Number of Shares Purchased in First Quarter</u>	<u>Average Price Paid per Share</u>	<u>Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs(a)</u>
December 1, 2008 through December 31, 2008			20,653,125
January 1, 2009 through January 31, 2009			20,653,125
February 1, 2009 through February 28, 2009	450,000	\$ 20.28	20,203,125
Total	<u>450,000</u>	\$ 20.28	

(a) All these Carnival plc ordinary share repurchases were made pursuant to the Stock Swap program repurchase authorization described above.

Item 6. Exhibits.**INDEX TO EXHIBITS**

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
		<u>Form</u>	<u>Exhibit</u>	<u>Filing Date</u>	
<u>Articles of incorporation and by-laws</u>					
3.1	Third Amended and Restated Articles of Incorporation of Carnival Corporation.	8-K	3.1	4/17/03	
3.2	Second Amended and Restated By-laws of Carnival Corporation.	8-K	3.1	10/19/07	
3.3	Articles of Association of Carnival plc.	8-K	3.3	4/17/03	
3.4	Memorandum of Association of Carnival plc.	8-K	3.4	4/17/03	
<u>Material contracts</u>					
10.1*	Amended and Restated Carnival plc 2005 Employee Share Plan.				X
10.2*	Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.				X
10.3*	Amended and Restated Carnival Corporation 2002 Stock Plan.				X
10.4*	Form of Executive Restricted Stock Agreement for the Amended and Restated Carnival Corporation 2002 Stock Plan.				X
10.5*	Form of Executive Restricted Stock Agreement for Executives with Long-Term Compensation Agreements.				X
10.6*	Princess Cruises Chief Executive Officer Supplemental Retirement Plan - 2008 Restatement.				X
10.7*	Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.				X
10.8*	Amendment to the Carnival Corporation Fun Ship Nonqualified Savings Plan.				X
10.9*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.				X

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed/Furnished Herewith
		Form	Exhibit	Filing Date	
Statement regarding computations of ratios					
12	Ratio of Earnings to Fixed Charges.				X
Rule 13a-14(a)/15d-14(a) Certifications					
31.1	Certification of 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 Operating 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 Senior Vice President and 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
31.4	Certification of 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
31.5	Certification of Chief Operating Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.6	Certification of Senior Vice President and 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
Section 1350 Certifications					
32.1**	Certification of 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

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed/Furnished Herewith
		Form	Exhibit	Filing Date	
32.2**	Certification of Chief Operating 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 Senior Vice President and 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
32.4**	Certification of 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
32.5**	Certification of Chief Operating 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
32.6**	Certification of Senior Vice President and 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

* Indicates a management contract or compensation plan or arrangement.

** 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/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

By: /s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating Officer

By: /s/ David Bernstein
David Bernstein
Senior Vice President
and Chief Financial Officer

Date: April 2, 2009

CARNIVAL PLC

By: /s/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

By: /s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating Officer

By: /s/ David Bernstein
David Bernstein
Senior Vice President
and Chief Financial Officer

Date: April 2, 2009

**AMENDED AND RESTATED
CARNIVAL PLC 2005 EMPLOYEE SHARE PLAN**

(As adopted by the board of directors of Carnival plc on 18 January 2005 and approved by shareholders of Carnival plc in general meeting on 13 April 2005; amended by the Compensation Committee of the board of directors on 5 July 2005, 22 January 2007 and 19 December 2008)

1. PURPOSE

The purpose of the Plan is to provide a means through which each member of the plc Group may attract able persons to enter and remain in the employ of members of the plc Group and to provide a means whereby employees and executive directors of each member of the plc Group can acquire and maintain Share ownership, or be paid incentive compensation measured by reference to the value of Shares, thereby strengthening their commitment to the welfare of the members of the plc Group and promoting an identity of interest between shareholders and these persons. It is intended that the Plan will be an employees' share scheme within the meaning of section 743 of the Companies Act 1985.

The Plan provides for the granting of Options (Incentive Share Options, Nonqualified Share Options, Unapproved Options and Approved Options), Restricted Shares and Restricted Share Units to eligible employees. Inland Revenue Approved Options may be granted under an Appendix to the Plan approved by the Inland Revenue.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan;

ADRs means American Depositary Receipts evidencing American Depositary Shares deposited by the Company with a depositary pursuant to a depositary agreement;

Affiliate means:

(a) any entity that directly or indirectly is Controlled by, Controls or is under common Control with the Company or Carnival Corporation; and

(b) to the extent provided by the Committee, any entity in which the Company or Carnival Corporation has a significant equity interest.

Approved Option means an Option granted under an Inland Revenue approved share plan contained in the Appendix to this Plan;

Award means, individually or collectively, any Incentive Share Option, Nonqualified Share Option, Unapproved Option, Approved Option, Restricted Share Award or Restricted Share Unit Award;

Award Agreement means a Share Option Agreement, Restricted Share Agreement or Restricted Share Unit Agreement;

Board means the board of directors of the Company;

Capital Reorganisation means any variation in the share capital or reserves of the Company (including, without limitation, by way of capitalisation issue, rights issue, sub-division, consolidation, or reduction);

Carnival Corporation means Carnival Corporation, a corporation organised under the laws of the Republic of Panama;

Cause means a member of the plc Group having a right to terminate a Participant's employment summarily either in accordance with the terms of the Participant's contract of employment with that member or otherwise at common law including without limitation:

- (a) the determination by the Committee that the Participant has ceased to perform his duties to a member of the plc Group (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to his employer;
- (b) the Committee's determination that the Participant has engaged or is about to engage in wilful misconduct or conduct which causes or may reasonably be expected to cause substantial damage to a member of the plc Group;
- (c) the Participant having been convicted of, or pleaded guilty to, an offence involving as a material element fraud or dishonesty; or
- (d) the failure of the Participant to follow the lawful instructions of the Board or any of his superiors;

Change of Control means the occurrence of any of the following:

- (a) a person (either alone or together with any person acting in concert with him) obtaining Control of the Company as a result of a general offer or otherwise for the whole of the share capital of the Company (other than those shares which are already owned by him and/or any person acting in concert with him);
- (b) a person (either alone or together with any person acting in concert with him) acquiring 50% or more (on a fully diluted basis) of either:
 - (i) the then outstanding Shares taking into account as outstanding for this purpose such Shares as are issuable upon the exercise of options or warrants, the conversion of convertible shares or debt and the exercise of any similar right to acquire such Shares (the "**Outstanding Shares**"); or
 - (ii) the combined voting power of the then outstanding voting shares or securities of the Company entitled to vote generally in the election of directors (the "**Outstanding Company Voting Securities**");

provided, however, that for purposes of this Plan, the following acquisitions shall not constitute a Change of Control:

- (A) any acquisition by the Company or any Affiliate,
- (B) any acquisition by any employee benefit plan sponsored or maintained by the Company or any Affiliate,
- (C) any acquisition by Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses or lineal descendants, any trust established for the benefit of any of the aforementioned Arison family members, or any person directly or indirectly controlling, controlled by or under common control with any of the aforementioned Arison family members or any trust established for the benefit of any of the aforementioned Arison family members or any charitable trust or non-profit entity established by any person or entity described in this sub-paragraph (C); or

- (D) any acquisition by any person which falls within the proviso to paragraph (e) below or sub-paragraphs (i), (ii) and (iii) of paragraph (h) below;

and for the purposes of this Plan an event falling within sub-paragraphs (a) or (b) of this definition shall be referred to as an **Acquisition**;

- (c) individuals who, on the date this Plan is approved by shareholders in general meeting, constitute the board of directors of the Company (the “**Incumbent Directors**”) ceasing for any reason to constitute at least a majority of the board, provided that any person who becomes a director subsequently and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the board (either by a specific vote of the directors or by approval of the proxy statement or annual report and accounts of the Company in which such person is nominated for election by shareholders, without written objection to such nomination) shall be an Incumbent Director; and for the purposes of this Plan an event falling within this sub-paragraph (c) shall be referred to as a **Board Change**;
- (d) a person becoming bound or entitled to give notice under sections 428 to 430F of the Companies Act 1985 to acquire Shares (a “**Compulsory Acquisition Procedure**”);
- (e) a Court directing that a meeting of the holders of Shares be convened pursuant to section 425 of the Companies Act 1985 for the purposes of considering a scheme of arrangement of the Company or its amalgamation with any other company or companies and the scheme of arrangement being approved by the shareholders’ meeting or sanctioned by the Court (as the Committee may determine) (the “**Relevant Condition**”) provided, however, that the Committee may determine that the scheme of arrangement shall not constitute a Change of Control if the purpose and effect of the scheme of arrangement is to create a new holding company for the Company, such company having substantially the same shareholders with the same proportionate shareholdings as the Company had immediately prior to the scheme of arrangement, and for the purposes of this Plan an event falling within this sub-paragraph (e) shall be referred to as a **Scheme of Arrangement**;
- (f) notice being duly given of a resolution for the voluntary winding-up of the Company (a “**Voluntary Winding Up**”);
- (g) the sale, transfer or other disposition of all or substantially all of the business or assets of the Company (a “**Sale**”); or
- (h) the completion of a reorganization, recapitalization, merger, consolidation, share exchange or similar form of corporate transaction involving the Company that requires the approval of the Company’s shareholders, whether for such transaction or the issuance of securities in the transaction (a “**Business Combination**”), unless immediately following such Business Combination:
- (i) more than 50% of the total voting power of:
 - (A) the company or body corporate resulting from such Business Combination (the “**Surviving Company**”); or
 - (B) if applicable, the ultimate parent company or body corporate that directly or indirectly has beneficial ownership of sufficient voting securities eligible to elect a majority of the directors of the Surviving Company (the “**Parent Company**”), is represented by the Outstanding Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which the Outstanding Company Voting Securities were converted pursuant to such Business Combination), and such

voting power among the holders thereof is in substantially the same proportion as the voting power of the Company's Voting Securities among the holders thereof immediately prior to the Business Combination,

- (ii) no person, is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company); and
- (iii) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the completion of the Business Combination were members of the board of directors of the Company at the time of the board's approval of the execution of the initial agreement providing for such Business Combination

and for the purposes of this Plan a transaction falling within this sub-paragraph (h) shall be referred to as a **Corporate Transaction**;

Code means the United States Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section;

Combined Group means the plc Group and Carnival Corporation and any subsidiary of Carnival Corporation as that term is defined in section 736 of the Companies Act 1985;

Committee means the Compensation Committee of the board of directors. Unless the Board determines otherwise, each member of the Committee shall, at the time he takes any action with respect to an Award under the Plan, be an Eligible Director. However, the mere fact that a Committee member shall fail to qualify as an Eligible Director shall not invalidate any Award which is otherwise validly granted under the Plan;

Company means Carnival plc, a company incorporated under the laws of England and Wales;

Control has the meaning given to it by section 840 of ICTA;

Date of Grant means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization or, if there is no such date, the date indicated on the applicable Award Agreement;

Dealing Day means any day on which the London Stock Exchange is open for the transaction of business;

Discretionary Share Plan means an Employee Share Plan in which participation is solely at the discretion of the Board including the P&O Princess Cruises Deferred Bonus & Co-Investment Matching Plan;

Effective Date means the date on which the Plan is approved by the Company's shareholders in general meeting;

Eligible Director means a person who is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, or a person meeting any similar requirement under any successor rule or regulation;

Employee means any employee (including an executive director) of a member of the plc Group whose terms of service require him to devote substantially the whole of his working time to the affairs of a member of the Combined Group;

Employee Share Plan means any share option plan or other employees' share incentive plan established by the Company including the P&O Princess Cruises Deferred Bonus & Co-Investment Matching Plan;

Exchange Act means the U.S. Securities Exchange Act of 1934, as amended;

Fair Market Value means, on a given date:

- (a) for so long as the Shares are traded on the London Stock Exchange, the closing middle market quotation for a Share as derived from the Daily Official List of the London Stock Exchange for that day; or
- (b) subject to (a) above, its market value determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and in the case of any Award under which Shares are to be issued, the nominal value of a Share;

ICTA means the United Kingdom Income and Corporation Taxes Act 1988;

ITEPA means the United Kingdom Income Tax (Earnings and Pensions) Act 2003;

Incentive Share Option means an Option granted by the Committee to a US Participant under the Plan which is designated by the Committee as an incentive stock option as described in Section 422 of the Code and which otherwise meets the requirements set forth herein;

the London Stock Exchange means London Stock Exchange plc or any successor body thereto;

Nonqualified Share Option means an Option granted by the Committee to a US Participant under the Plan, which is not designated by the Committee as an Incentive Share Option;

Option means an Award granted under Section 7 being either an Incentive Share Option, a Nonqualified Share Option, an Unapproved Option or an Approved Option;

Option Holder means any individual who holds a subsisting Option (including, where the context permits, the legal personal representatives of a deceased Option Holder);

Option Period means such period commencing on the Date of Grant and not exceeding ten years, as the Committee may determine under Section 7.6 in respect of an Option or portions of an Option;

Option Price means the exercise price of an Option as described in Section 7.3;

Participant means an Employee who has been selected by the Committee to participate in the Plan and to receive an Award;

Performance Goals means the performance objectives which may be established by the Committee for the purpose of determining whether, and to what extent, Awards will vest or be subject to a Restricted Period.

Plan means this Carnival plc 2005 Employee Share Plan, as amended from time to time;

the plc Group means the Company and the Subsidiaries and **member of the Group** shall be construed accordingly;

Registered Holder means any person or persons nominated by the Committee to hold Restricted Shares on behalf of a Participant;

Relevant Period means in the case of:

- (a) an Acquisition, the period of three months from the date of completion of the acquisitions and if the acquisitions occur as a result of an offer which is made subject to conditions, the period of three months from the date when the offer becomes or is declared unconditional in all respects;
- (b) a Board Change, the period of three months from the date that the relevant majority no longer subsists;
- (c) a Compulsory Acquisition Procedure, the period of 30 days from the date on which a notice of compulsory acquisition is first issued;
- (d) a Scheme of Arrangement, the period between the date of the Court's direction and twelve noon on the day immediately preceding the date for which the shareholders' meeting is convened or such longer period up to the date on which the Court sanctions the Scheme of Arrangement as the Committee may determine;
- (e) a Voluntary Winding Up, the period of two months from the date the resolution;
- (f) a Sale, the period of three months from the date of completion of the relevant transaction; and
- (g) a Corporate Transaction, the period of three months from the date of completion of the relevant transaction;

Restricted Period means, with respect to any Restricted Shares or any Restricted Share Unit, the period of time determined by the Committee during which such Award is subject to the restrictions set forth in Section 9 (unless foreshortened pursuant to the rules of this Plan);

Restricted Shares means Shares issued or transferred to a Participant subject to forfeiture and the other restrictions set forth in Section 9;

Restricted Share Award means an Award of Restricted Shares granted under Section 9;

Restricted Share Unit means a hypothetical investment equivalent to one Share granted in connection with an Award made under Section 9;

Restricted Share Unit Award means an Award of Restricted Share Units granted under Section 9;

Retirement means the cessation of a Participant's employment with a member of the Combined Group on or after the earlier of:

- (a) age 65 with at least five years of service with a member of the Combined Group; or
- (b) age 60 with at least 15 years of service with a member of the Combined Group;

Retirement Age means age 60 for the purposes of paragraph 35A of Schedule 4 to ITEPA;

Securities Act means the Securities Act of 1933, as amended;

Shares means fully paid and irredeemable ordinary shares in the capital of the Company or shares representing those shares following any Capital Reorganisation;

Share Option Agreement means any agreement between the Company and a Participant who has been granted an Option pursuant to Section 7 which evidences the grant of an Option and in the case of an Option granted by way of a share option certificate, shall mean the share option certificate;

Subsidiary means any subsidiary of the Company, as defined in Section 736 of the Companies Act 1985, of which the Company has Control;

UKLA means the United Kingdom Listing Authority;

Unapproved Option means an Option granted to a Participant other than a US Participant under the Plan which is not designated by the Committee as an Approved Option; and

Vested Unit shall have the meaning assigned to it in Section 9.12.

3. EFFECTIVE DATE, DURATION AND SHAREHOLDER APPROVAL

3.1 The Plan is effective as of the Effective Date, and the Plan was approved by shareholders at a general meeting held on 13 April 2005 in a manner intended to comply with the shareholder approval requirements of Sections 422(b)(1) of the Code and the New York Stock Exchange.

3.2 The expiration date of the Plan, on and after which no Awards may be granted hereunder, shall be the tenth anniversary of the Effective Date; provided, however, that the administration of the Plan shall continue in effect until all matters relating to Awards previously granted have been settled.

4. ADMINISTRATION

4.1 The Committee shall administer the Plan.

4.2 Subject to the provisions of the Plan and applicable law, the Committee shall have the power, in addition to other express powers and authorizations conferred on the Committee by the Plan, to:

- (a) designate Participants;
- (b) determine the type or types of Awards to be granted to a Participant;
- (c) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards;
- (d) determine the terms and conditions of any Awards;
- (e) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or cancelled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, cancelled, forfeited or suspended;
- (f) determine whether, to what extent, and under what circumstances the delivery of cash, Shares, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee;
- (g) interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;

- (h) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and
- (i) make any other determination and take any other action specified under the Plan or that the Committee deems necessary or desirable for the administration of the Plan.

4.3 Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or any documents evidencing Awards shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all parties, including, without limitation, each member of the Combined Group, any Participant, any holder or beneficiary of any Award, and any shareholder.

5. GRANT OF AWARDS; SHARES SUBJECT TO THE PLAN

5.1 The Committee may, from time to time, grant Awards of Options, Restricted Shares or Restricted Share Units to one or more Employees provided that no Award to subscribe for Shares shall be granted to the extent that the aggregate number of Shares that could be issued pursuant to that Award and any other Awards granted at the same time when added to the number of Shares that:

- (a) could be issued on the exercise of any other subsisting share options or awards granted during the preceding ten years under the Plan or any other Employee Share Plan; and
- (b) have been issued on the exercise of any share options or awards granted during the preceding ten years under the Plan or any other Employee Share Plan; and
- (c) have been issued during the preceding ten years under any Employee Share Plan or any profit sharing or other employee share incentive plan established by the Company;

would exceed 10% of the ordinary share capital of the Company for the time being in issue.

5.2 Shares delivered by or on behalf of the Company in settlement of Awards may be authorized and unissued Shares or Shares held in the treasury of the Company or purchased on the open market or by private purchase.

5.3 Any member of the plc Group may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent not prohibited by section 151 of the Companies Act 1985.

6. ELIGIBILITY

Participation shall be limited to Employees who have received written notification from the Committee, or from a person designated by the Committee, that they have been selected to participate in the Plan.

7. TERMS OF OPTIONS

7.1 The Committee is authorized to grant one or more Approved Options, Unapproved Options, Incentive Share Options or Nonqualified Share Options to any Employee. Each Option so granted shall be subject to the conditions set forth in this Section 7, or to such other conditions consistent with this Plan as may be reflected in the applicable Share Option Agreement.

Option Price

7.2 The Option Price per Share for each Option shall be set by the Committee at the Date of Grant but shall not be less than the Fair Market Value of a Share on the Date of Grant and, if the Shares are to be issued, the nominal value of a Share.

Manner of Exercise and Form of Payment

7.3 No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the Option Price therefor is received by the Company or the Participant has made arrangements acceptable to the Company for the payment of the Option Price. Options which have become exercisable may be exercised by delivery of written notice of exercise to the Company accompanied by payment of, or an undertaking to pay, the aggregate Option Price. The Option Price shall be payable in cash.

Conditions of Grant

7.4 An Option may be granted subject to such conditions for payment of taxation, employees' National Insurance contributions and employer's National Insurance contributions liability as the Committee may determine (including without limitation the right to sell on an Option Holder's behalf sufficient Shares to satisfy any taxation or National Insurance contributions) and if any condition is imposed relating to the assumption, payment or reimbursement by the Option Holder of employer's National Insurance contributions liability, such conditions shall comply with any applicable legislation or regulations and the Company shall be entitled to waive in whole or in part the Option Holder's obligation in respect of such liability.

Vesting, Option Period and Expiration

7.5 Subject to Sections 8 and 13, Options shall vest and become exercisable in such manner and on such date or dates as the Committee may determine at the Date of Grant and set out in a vesting schedule (a "**Vesting Schedule**") in the applicable Share Option Agreement or share option certificate. The Committee may determine that an Option may vest in full on one date only or may vest partially as to different portions on different dates so that an Option may have one Option Period or a number of Option Periods applying to determine when each portion shall vest. Subject to Sections 8 and 13 Options shall lapse on the earlier of:

- (a) the expiry of the Option Period; and
- (b) the Option Holder being declared bankrupt or entering into any general composition with or for the benefit of his creditors including a voluntary arrangement under the Insolvency Act 1986;

provided, however, that notwithstanding any vesting dates set by the Committee, the Committee may, in its sole discretion, accelerate the exercisability of any Option, which acceleration shall not affect the terms and conditions of such Option provided for in this Plan other than with respect to exercisability. If an Option is exercisable in instalments, such instalments or portions thereof which vest and become exercisable shall remain exercisable until the Option lapses but subject to any earlier lapse provisions under Sections 8 and 13.

Performance Goals

7.6 The Committee shall determine prior to the Date of Grant whether any Performance Goals shall apply to the vesting of an Option and if so these shall be set out in the applicable Share Option Agreement or share option certificate.

Other Terms and Conditions

7.7 Each Option granted under the Plan shall be evidenced by a Share Option Agreement or a share option certificate. Immediately prior to the granting of any Options, the Committee may, in its absolute discretion, enter into a deed poll recording its intention to be bound by the share option certificates to be issued to the Option Holder in respect of such Option. Except as specifically provided otherwise in a Share Option Agreement or a share option certificate, each Option granted under the Plan shall be subject to the following terms and conditions:

- (a) each Option or portion thereof that is exercisable shall be exercisable for the full amount or for any part thereof;
- (b) each Share acquired through the exercise of an Option shall be treated as fully paid up at the time of issue or transfer. Each Option shall cease to be exercisable, as to any Share, when the Participant acquires the Share or when the Option lapses;
- (c) subject to Sections 11.9 and 11.10, Options shall not be transferable by the Participant except by will or the laws of inheritance and shall be exercisable during the Participant's lifetime only by him;
- (d) each Option shall vest and become exercisable by the Participant in accordance with the Vesting Schedule established by the Committee and set forth in the Share Option Agreement;
- (e) at the time of any exercise of an Option, a Participant must take whatever action is reasonably required by the Committee to ensure compliance with applicable securities laws; and
- (f) each Participant awarded an Incentive Share Option under the Plan shall notify the Company in writing immediately after the date he makes a disqualifying disposition of any Shares acquired pursuant to the exercise of such Incentive Share Option. A disqualifying disposition is any disposition (including any sale) of such Shares before the later of (i) two years after the Date of Grant of the Incentive Share Option or (ii) one year after the date the Participant acquired the Shares by exercising the Incentive Share Option.

Incentive Share Option Grants to 10% Shareholders

7.8 Notwithstanding anything to the contrary in this Section 7, if an Incentive Share Option is granted to a Participant who owns shares representing more than ten percent of the voting power of all classes of shares of the Company or of a Subsidiary or a parent of the Company, the Option Period shall not exceed five years from the Date of Grant of such Option and the Option Price shall be at least 110 percent of the Fair Market Value (on the Date of Grant) of the Shares subject to the Option.

Time of Grant

7.9 The Committee shall not grant Options at any time when it would be prohibited from doing so by the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing code).

\$100,000 Per Year Limitation for Incentive Share Options

7.10 To the extent the aggregate Fair Market Value (determined as of the Date of Grant) of Shares for which Incentive Share Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company) exceeds \$100,000, such excess Incentive Share Options shall be treated as Nonqualified Share Options.

8. EXERCISE AND LAPSE OF OPTIONS – CESSATION OF EMPLOYMENT

8.1 Save as otherwise provided in these rules, an Option shall lapse automatically on the Option Holder ceasing to be an employee of the plc Group (whether lawfully or unlawfully).

8.2 Where an Option Holder ceases to be an employee of the plc Group before the end of the Option Period by reason of his employment with a member of the plc Group being terminated by a member of the plc Group without Cause or by the Participant for any reason other than Retirement, the Option shall lapse on the earlier of:

- (a) the last day of the Option Period; and
- (b) the date that is three months after the date of such termination;

provided, however, that any Participant whose employment with a member of the plc Group is terminated and who is subsequently re-hired or re-engaged by a member of the plc Group prior to the lapse of the Option shall not be treated as if his employment had terminated.

In the event of a termination described in this Section 8.2, the Option shall remain exercisable by the Participant until its lapse only to the extent the Option was exercisable at the time of such termination.

8.3 Where an Option Holder ceases to be an employee of the plc Group before the end of the Option Period by reason of his death or his disability (as determined by the Committee) while still in the employment of a member of the plc Group, or he dies following a cessation of employment described in this Section 8.2, the Option shall lapse on the earlier of:

- (a) the last day of the Option Period; and
- (b) the date that is one year after the date of such death or cessation on account of disability of the Participant, as applicable.

In such event, the Option shall remain exercisable by the Participant or his or her personal representatives or beneficiaries determined in accordance with Section 11, as applicable, until its lapse only to the extent the Option was exercisable by the Participant at the time of such event.

8.4 Where the Participant ceases to be an employee of a member of the plc Group by reason of Retirement prior to the end of the Option Period, the Option shall:

- (a) lapse at the end of the Option Period; and
- (b) continue vesting in accordance with the Vesting Schedule set forth in the share option certificate or Share Option Agreement (as applicable), without regard to any requirement that the Participant remain employed with a member of the plc Group as a condition to vesting.

8.5 For the avoidance of doubt, an Option exercisable under Sections 8.2 to 8.4 may lapse at an earlier date by virtue of Section 13 and may not be exercised after the expiry of the Option Period.

8.6 For the purposes of Sections 8.1 to 8.5 a female Option Holder shall not be treated as ceasing to be an employee of a member of the plc Group if absent from work wholly or partly because of pregnancy or confinement until she ceases to be entitled to exercise any statutory or contractual right to return to work.

8.7 Where any exercise of an Option under Sections 8.2 to 8.5 would be prohibited by law or the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing rules) the period during which the Option Holder may exercise his Options shall be extended by an additional period equal to the length of the period of prohibition but not beyond the expiry of the Option Period.

9. RESTRICTED SHARE AWARDS AND RESTRICTED SHARE UNIT AWARDS

Awards of Restricted Shares and Restricted Share Unit Awards

9.1 The Committee shall have the authority:

- (a) to grant Restricted Share Awards and Restricted Share Unit Awards to Employees;
- (b) to issue or transfer Restricted Shares to Registered Holders on behalf of Participants; and
- (c) to establish terms, conditions and restrictions applicable to such Restricted Shares and Restricted Share Units, including the Restricted Period, which may differ with respect to each Participant, the time or times at which Restricted Shares or Restricted Share Units shall become vested and the number of Shares or units to be covered by each grant and whether the Award shall be subject to Performance Goals.

No Restricted Share Awards or Restricted Share Unit Awards shall be granted at any time when the Committee is prohibited from doing so by the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing rules).

9.2 The Committee may require a Participant granted a Restricted Share Award to execute and deliver to the Company a Restricted Share Agreement with respect to the Restricted Shares setting forth the restrictions applicable to such Restricted Shares. The Committee shall determine whether:

- (a) the Restricted Shares shall be held in escrow rather than delivered to the Participant pending the release of the applicable restrictions, in which case the Committee may require the Participant to additionally execute and deliver to the Company an escrow agreement satisfactory to the Company; or
- (b) the Restricted Shares shall be registered in the name of the nominated Registered Holder during the Restricted Period; or
- (c) other arrangements shall apply to the holding of Restricted Shares during the Restricted Period, the terms of such arrangements being consistent with the terms of this Plan.

9.3 If an escrow arrangement is used, the Committee shall cause a share certificate registered in the name of the Participant to be issued and, if it so determines, deposited together with the share powers with any escrow agent designated by the Committee. The Committee may cause the escrow agent to issue to a Participant a receipt evidencing any share certificate held by it registered in the name of the Participant.

9.4 If a nominated Registered Holder is used, the Committee shall cause a share certificate registered in the name of the Participant to be issued and, if it so determines, deposited together with the share powers with any Registered Holder nominated by the Committee. The Participant shall not be entitled to delivery of the share certificate until the Restricted Period has expired and the Registered Holder shall retain custody of such shares during the Restricted Period.

9.5 Subject to the restrictions set forth in Section 9.7 to 9.9, the Participant generally shall have the rights and privileges of a beneficial owner as to such Restricted Shares, including the right to direct the Registered Holder how to vote such Restricted Shares. At the discretion of the Committee, cash dividends and share dividends with respect to the Restricted Shares may be either currently paid to the Participant or withheld by the Company or the Registered Holder for the Participant's account, and interest may be

credited on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee. The cash dividends or share dividends so withheld by the Committee and attributable to any particular Restricted Shares (and earnings thereon, if applicable) shall be distributed to the Participant upon the release of restrictions on such Restricted Shares and, if such Restricted Share is forfeited, the Participant shall have no right to such cash or share dividends.

9.6 The terms and conditions of a grant of a Restricted Share Unit Award will be reflected in a written Restricted Share Unit Award Agreement. The Committee may determine that a Restricted Share Unit Award be granted in the form of a nil cost option or a conditional or contingent right to acquire shares. Where a Restricted Share Unit Award is granted in the form of a nil cost option, any reference to the Restricted Period expiring in respect of Restricted Share Units shall be construed as meaning that a Participant may call for the Restricted Share Units within the period determined by the Committee. A Participant shall not have any beneficial interest in any Shares during the Restricted Period as a result of being granted a Restricted Stock Unit Award. The Company will not be required to set aside a fund for the payment of any such Award. At the discretion of the Committee, each Restricted Share Unit (representing one Share) awarded to a Participant may be credited with cash and share dividends paid in respect of one Share ("**Dividend Equivalents**"). At the discretion of the Committee, Dividend Equivalents may be either currently paid to the Participant or withheld by the Company for the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents withheld at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's account and attributable to any particular Restricted Share Unit (and earnings thereon, if applicable) shall be distributed to the Participant upon settlement of such Restricted Share Unit and, if such Restricted Share Unit is forfeited, the Participant shall have no right to such Dividend Equivalents.

Restrictions

9.7 Restricted Shares comprised in a Restricted Share Award granted to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, and to such other terms and conditions as may be set forth in the applicable Restricted Share Award Agreement:

- (a) the Participant shall not be entitled to delivery of the share certificate;
- (b) the Restricted Shares shall be subject to the restrictions on transferability set forth in the Restricted Share Award Agreement; and
- (c) the Restricted Shares shall be subject to forfeiture to the extent provided in the Rules and the applicable Restricted Share Agreement and, to the extent such Restricted Shares are forfeited, the share certificates shall be returned to the Company, and all rights of the Participant to such Restricted Shares and as a shareholder shall terminate without further obligation on the part of the Company.

9.8 Restricted Share Units awarded to any Participant shall be subject to:

- (a) forfeiture until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, to the extent provided in these Rules and the applicable Restricted Share Unit Agreement, and to the extent such Restricted Share Units are forfeited, all rights of the Participant to such Restricted Share Units shall terminate without further obligation on the part of the Company; and
- (b) such other terms and conditions as may be set forth in the applicable Restricted Share Unit Agreement.

9.9 The Committee shall have the authority to remove any or all of the restrictions on the Restricted Shares and Restricted Share Units whenever it may determine that such action is appropriate by reason of changes in applicable laws or other exceptional circumstances determined by the Committee (including, without limitation, the circumstances permitted in Section 10 in relation to a Participant's Retirement or death, or in relation to the termination of a Participant's employment lawfully or unlawfully, or disability) arising after the date of the Restricted Share Award or Restricted Share Unit Award.

Restricted Period

9.10 The Restricted Period applicable to Restricted Shares and Restricted Share Units comprised in an Award shall commence on the Date of Grant and shall expire from time to time as to that part of the Restricted Shares and Restricted Share Units indicated in a schedule (the "**Vesting Schedule**") established by the Committee and set out in the applicable Restricted Share Agreement or Restricted Share Unit Agreement.

- (a) The minimum Restricted Period applicable to Restricted Share Awards or Restricted Share Unit Awards which are subject to Performance Goals shall be one year from the Date of Grant.
- (b) The minimum Restricted Period applicable to Restricted Share Awards or Restricted Share Unit Awards which are not subject to Performance Goals, and which are to vest in full on a single date shall be three years from the Date of Grant.
- (c) The minimum Restricted Period applicable to Restricted Shares and Restricted Share Units comprised in the Award which are to vest in parts over a period of more than one year shall be five years from the Date of Grant, in which case the Restricted Period shall be treated as expiring in respect of equal parts of the Restricted Shares on Restricted Share Units on each anniversary of the Date of Grant until the end of the overall Restricted Period.

Delivery of Restricted Shares and Settlement of Restricted Share Units

9.11 Upon the expiration of the Restricted Period with respect to any Restricted Shares covered by a Restricted Share Award and the attainment of any other vesting criteria established by the Committee, the restrictions set forth in Section 9.7 to 9.9 and the Restricted Share Agreement shall be of no further force or effect with respect to the Restricted Shares which have not then been forfeited. The Company shall deliver or procure the delivery to the Participant, or his beneficiary, without charge, the share certificate evidencing the Restricted Shares which have not then been forfeited and with respect to which the Restricted Period has expired and any other vesting criteria established by the Committee has been attained (to the nearest full share) and any cash dividends or share dividends credited to the Participant's account with respect to such Restricted Shares and the interest thereon, if any.

9.12 Upon the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, with respect to any Restricted Share Units covered by a Restricted Share Unit Award, the Company shall determine whether the Award shall be settled in Shares or cash. If the Committee determines that the Award shall be settled in Shares, the Company shall procure the delivery to the Participant, or his beneficiary, without charge, one Share for each Restricted Share Unit which has not then been forfeited and with respect to which the Restricted Period has expired and any other such vesting criteria are attained ("**Vested Unit**"). If the Committee has elected to pay cash (or part cash and part Shares) for Vested Units, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the date on which the Restricted Period lapsed with respect to such Vested Unit.

Conditions of Grant

9.13 Restricted Share Awards and Restricted Share Unit Awards may be granted subject to such conditions for payment of tax and employees' National Insurance contributions and employer's National Insurance contributions as the Committee may determine,

including that, with respect to Awards of Restricted Shares which qualify as employment related restricted securities under Chapter 2 of Part VII of ITEPA, any member of the plc Group may require a Participant to enter into an election under section 430 or section 431 of ITEPA.

10. FORFEITURE

Restricted Shares

10.1 Save as otherwise provided in these rules and unless otherwise stated in the applicable Restricted Share Award Agreement, Restricted Shares shall be forfeited automatically on the Participant ceasing to be an employee of the plc Group (whether lawfully or unlawfully) before the end of the Restricted Period.

10.2 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of Retirement, the Restricted Shares shall not be forfeited and the restrictions attaching to the Restricted Shares shall continue and shall lapse in accordance with the terms of the Restricted Share Award provided, however, that the Committee may in its discretion determine that some or all of the Restricted Shares may be released early.

10.3 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of his death while still in the employment of a member of the plc Group, or he dies following a cessation of employment described in Section 10.2 the Restricted Shares shall not be forfeited and the Restricted Period shall expire forthwith and the restrictions shall lapse.

Restricted Share Units

10.4 Save as otherwise provided in these rules and unless otherwise stated in the applicable Restricted Share Unit Award Agreement, Restricted Share Units shall be forfeited automatically on the Participant ceasing to be an employee of the plc Group (whether lawfully or unlawfully) before the end of the Restricted Period.

10.5 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of Retirement, the Restricted Share Units shall not be forfeited and the restrictions attaching to the Restricted Share Units shall continue and shall lapse in accordance with the terms of the Restricted Share Unit Award provided, however, that the Committee may in its discretion determine that some or all of the Restricted Share Units may be released early.

10.6 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of his death while still in the employment of a member of the plc Group, or he dies following a cessation of employment described in Section 10.2 the Restricted Share Units shall not be forfeited and the Restricted Period shall expire forthwith and the restrictions shall lapse.

10.7 For the avoidance of doubt, an Award that is retained under this Section 10 may lapse at an earlier date by virtue of Section 13.

10.8 For the purposes of Sections 10.1 to 10.6 a female Participant shall not be treated as ceasing to be an employee of a member of the plc Group if absent from work wholly or partly because of pregnancy or confinement until she ceases to be entitled to exercise any statutory or contractual right to return to work.

10.9 Where any release or exercise of an Award under this Section 10 would be prohibited by law or the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing rules) the period during which the Restricted Shares or Restricted Share Units may be released to a Participant shall be extended by an additional period equal to the length of the period of prohibition.

11. GENERAL

Additional Provisions of an Award

11.1 Awards granted to a Participant under the Plan also may be subject to such other provisions (whether or not applicable to Awards granted to any other Participant) as the Committee determines appropriate including, without limitation, provisions to assist the Participant in financing the acquisition of Shares upon the exercise of Options (provided that the Committee determines that providing such financing does not violate the Sarbanes-Oxley Act of 2002 and applicable UK law), provisions for the forfeiture of or restrictions on resale or other disposition of Shares acquired under any Award, provisions giving the Company the right to repurchase Shares acquired under any Award in the event the Participant elects to dispose of such Shares, provisions allowing the Participant to elect to defer the receipt of Shares upon the exercise of Awards for a specified period or until a specified event, and provisions to comply with US Federal and state securities laws and US Federal and state tax withholding requirements. Any such provisions shall be reflected in the applicable Award Agreement.

Privileges of Share Ownership

11.2 Except as otherwise specifically provided in the Plan, no person shall be entitled to the privileges of ownership in respect of Shares which are subject to Awards hereunder until such Shares have been issued or transferred to that person.

Government and Other Regulations

11.3 The obligation of the Company to issue Shares upon the exercise of Options or otherwise settle Awards in Shares shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required.

Tax Withholding

11.4 A Participant may be required to pay to a member of the Combined Group, and each member of the Combined Group shall have the right and is hereby authorized to withhold from any Shares or other property deliverable under any Award or from any compensation or other amounts owing to a Participant the amount (in cash, Shares or other property) of any required tax withholding and payroll taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan 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.

11.5 Without limiting the generality of Section 11.4 above, the Committee may, in its sole discretion, permit a Participant to satisfy, in whole or in part, the foregoing withholding liability (but no more than the minimum required withholding liability if using method (b) or (c) of this subsection) by:

- (a) payment in cash;
- (b) delivery of Shares owned by the Participant with a Fair Market Value equal to such withholding liability;
- (c) having the Company withhold from the number of Shares otherwise issuable pursuant to the exercise of the Award a number of Shares with a Fair Market Value equal to such withholding liability; or
- (d) authorising the Company to arrange the sale of sufficient Shares to generate proceeds sufficient to discharge any withholding liability.

Claim to Awards and Employment Rights

11.6 The rights and obligations of an Employee under the terms and conditions of his office or employment shall not be affected by his participation in the Plan or any right he may have to participate in the Plan. An individual who participates in the Plan waives all and any rights to compensation and damages in consequence of the termination of his office or employment with any company for any reason whatsoever (whether lawfully or unlawfully) insofar as those rights arise, or may arise, from his ceasing to have rights under or his entitlement to an Award under the Plan 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 11.6 and the Employee's terms of employment, this Section will take precedence.

Governing Law

11.7 The Plan shall be governed by, and construed in accordance with, the laws of England. All disputes arising out of or in connection with the rules shall be subject to the exclusive jurisdiction of the courts of England and Wales.

Funding

11.8 No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

Nontransferability

11.9 Each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or personal representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of inheritance and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against each member of the plc Group.

11.10 Notwithstanding the foregoing, the Committee may, in its sole discretion, permit Awards other than Incentive Share Options to be transferred by a Participant, without consideration, subject to such rules as the Committee may adopt consistent with any applicable Award Agreement to preserve the purposes of the Plan, to:

- (a) any person who is a spouse or child or step child under the age of 18 of the Participant (an "**Immediate Family Member**");
- (b) a trust solely for the benefit of the Participant and his or her Immediate Family Members;
- (c) a partnership or limited liability company whose only partners or shareholders are the Participant and his Immediate Family Members;

(each transferee described in sub-sections (a), (b) and (c) above is hereinafter referred to as a "**Permitted Transferee**"); provided that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

11.11 The terms of any Award transferred in accordance with Section 11.10 shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award Agreement or share option certificate, to a Participant shall be deemed to refer to the Permitted Transferee, except that:

- (a) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of inheritance;
- (b) Permitted Transferees shall not be entitled to exercise a transferred Nonqualified Share Option unless there shall be in effect a registration statement on an appropriate form covering the Shares to be acquired pursuant to the exercise of such Nonqualified Share Option if the Committee determines, consistent with any applicable Share Option Agreement, that such a registration statement is necessary or appropriate,
- (c) the Committee or any member of the plc Group shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; and
- (d) the consequences of a Participant no longer being employed by, or in the services of, a member of the plc Group under the terms of the Plan and the applicable Award Agreement or share option certificate shall continue to be applied with respect to the Participant, including, without limitation, that a Nonqualified Share Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Share Option Agreement.

Relationship to Other Benefits

11.12 No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of a member of the Combined Group except as otherwise specifically provided in such other plan.

Expenses

11.13 The expenses of administering the Plan shall be borne by the plc Group.

Gender and Number

11.14 Where the context admits, masculine pronouns and other words of masculine gender shall refer to both men and women, words in the singular shall include the plural and words in the plural shall include the singular.

Termination of Employment

11.15 For all purposes herein, a person who transfers from employment with a member of the plc Group to employment or service with a member of the Combined Group shall not be deemed to have terminated employment or service with a member of the plc Group.

Titles and Headings

11.16 The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

Severability

11.17 If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or Award, such provision shall be stricken as to such jurisdiction, person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

12. CHANGES IN CAPITAL STRUCTURE

12.1 In the event of any:

- (a) Capital Reorganisation;
- (b) Corporate Transaction; or
- (c) the implementation by the Company of a demerger, or the payment by the Company of a dividend in specie or a super dividend or other transaction or any change in applicable laws or any change in circumstances which in the opinion of the Committee (acting fairly and reasonably and taking into account any criteria it may consider to be relevant) would materially affect (whether by increasing or reducing) the current or future value of an Award

the number or type of shares subject to an Award and the Option Price per Share shall be adjusted or the Awards may be subject to substitution in such manner as the Committee may determine is fair and reasonable, PROVIDED THAT:

- (i) in respect of an Award under which Shares are to be transferred, prior notification shall be given to the person holding the Shares to which the Award relates;
- (ii) no adjustment shall be made pursuant to this Section which would decrease the aggregate Option Price of any Option; and
- (iii) except as provided in this sub-paragraph (iii), no adjustment may have the effect of reducing the Option Price of any Option to less than the nominal value of a Share. Where an Option subsists over both issued and unissued Shares, any such adjustment may only be made if the reduction of the Option Price of Options over both issued and unissued Shares can be made to the same extent. Any adjustment to the Option Price of Options over unissued Shares shall only be made if and to the extent that the Committee shall be authorised to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted Option Price. The Company may apply such sum in paying up such amount on such Shares and so that, on exercise of any Option in respect of which such reduction shall have been made, the Company shall capitalise such sum (if any) and apply the same in paying up such amount as aforesaid; and
- (iv) any adjustment in Incentive Share Options under this Section 12 shall be made only to the extent not constituting a “modification” within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 12 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act.

12.2 Notwithstanding the above, in the event of any of the following:

- (a) the Company is merged or consolidated with another company or body corporate and, in connection therewith, consideration is received by shareholders of the Company in a form other than shares or other equity interests of the surviving entity;
- (b) a Sale;
- (c) the reorganization or liquidation of the Company; or
- (d) the Company enters into a written agreement to undergo an event described in sub-paragraphs (a), (b) or (c) above,

then the Committee may, in its discretion and upon at least 10 days advance notice to the affected persons, cancel any outstanding Awards and cause the holders thereof to be paid, in cash or shares, or any combination thereof, the value of such Awards based upon the price per share of the shares or other consideration received or to be received by shareholders of the Company in the event.

12.3 The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

13. EFFECT OF CHANGE OF CONTROL

13.1 In the event of a Change of Control which is not a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Option Period may not have commenced nor the Performance Goals been satisfied, an Option shall forthwith vest and become exercisable with respect to 100 per cent of the Shares subject to such Option. An Option Holder may exercise his Options during the Relevant Period. Failing any permitted exercise the Options shall without prejudice to the operation of Section 13.7, cease to be exercisable and shall automatically lapse upon the expiry of the Relevant Period, and if more than one Relevant Period is running concurrently, the Option shall cease to be exercisable and lapse upon the expiry of whichever of those periods is the first to expire.

13.2 In the event of a Change of Control which is a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Option Period may not have commenced nor the Performance Goals been satisfied, an Option shall forthwith vest and become exercisable with respect to 100 per cent of the Shares subject to such Option conditionally upon satisfaction of the Relevant Condition. An Option Holder may exercise his Options during the Relevant Period. Failing any permitted exercise the Options shall cease to be exercisable between the last date upon which permitted exercises may occur and the first date when it can be determined whether or not the Relevant Condition is satisfied. If the Relevant Condition is not satisfied the Options shall continue subject to the terms of this Plan. If the Relevant Condition is satisfied the Options shall, without prejudice to the operation of Section 13.7, lapse automatically on the date upon which the scheme of arrangement is sanctioned by the Court.

13.3 In the event of a Change of Control which is not a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Restricted Period may not have expired nor any Performance Goals been satisfied, the Restricted Period shall forthwith expire with respect to 100 per cent of the Shares comprised in a Restricted Stock Award or a Restricted Stock Unit Award. The Restricted Period shall expire immediately upon the commencement of the Relevant Period and the Company shall satisfy its obligations under Section 9.11 and 9.12 of this Plan in respect of the Restricted Share Awards and Restricted Share Unit Awards within 30 days thereof at the end of which period, without prejudice to the operation of Section 13.7, the Awards shall lapse.

13.4 In the event of a Change of Control which is a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Restricted Period may not have expired nor any Performance Goals been satisfied, the Restricted Period shall expire with respect to 100 per cent of the Shares comprised in a Restricted Stock Award or a Restricted Stock

Unit Award conditionally upon satisfaction of the Relevant Condition. If the Relevant Condition is not satisfied the Restricted Period shall not expire and the Restricted Share Awards and Restricted Share Unit Awards shall continue subject to the terms of this Plan. If the Relevant Condition is satisfied the Restricted Period shall expire on the date upon which the scheme of arrangement is sanctioned by the Court and the Company shall satisfy its obligations under Section 9.11 and 9.12 of this Plan in respect of the Restricted Share Awards and Restricted Share Unit Awards within 30 days thereof at the end of which period, without prejudice to the operation of Section 13.7, the Awards shall lapse.

Cancellation of Awards

13.5 In the event of a Change of Control, the Committee may in its discretion and upon at least 10 days' advance notice to the affected persons, cancel any outstanding Award and pay to the holders thereof, in cash or shares, or any combination thereof, the value of such Awards based upon the price per Share received or to be received by other shareholders of the Company in the event.

Demerger

13.6 If the Committee becomes aware that the Company is or is expected to be affected by any demerger, dividend in specie, super-dividend or other transaction which, in the opinion of the Committee, would materially affect (whether by increasing or reducing) the current or future value of any Awards, the Committee (acting fairly and reasonably and taking into account criteria it may consider to be relevant) may, in its absolute discretion, allow Options to be exercised (whether or not the Option Period has commenced) and the Restricted Period to expire in respect of Restricted Shares and Restricted Share Units, in each case in respect of such number of Shares as the Committee may determine in its discretion. The Committee shall specify the period in which such Options shall be exercisable and whether such Options shall lapse at the end of the specified period. The Committee shall notify any Participant who is affected by the discretion exercised under this Section.

Roll-over of Awards

13.7 In the event of a Change of Control the Committee may, in its absolute discretion, with the consent of any acquiring company determine that:

- (a) Options shall not be exercisable and that the Restricted Period shall not expire in respect of Restricted Shares and Restricted Share Units but that Participants shall be required within the Relevant Period to release any outstanding Awards (whether vested or unvested) in consideration for the grant of equivalent Awards over shares or restricted shares or restricted share units in the capital of the acquiring company or any company which Controls such acquiring company, on such terms as the Committee may determine; or
- (b) Participants may at any time within the Relevant Period by agreement with the acquiring company, release any outstanding Awards (whether vested or unvested) in consideration for the grant of equivalent Awards over shares or restricted shares or restricted share units in the capital of the acquiring company or any company which Controls such acquiring company, on such terms as the Committee may determine.

14. NON EXCLUSIVITY OF THE PLAN

Neither the adoption of this Plan by the Committee nor the submission of this Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Committee to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of share options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

15. AMENDMENTS AND TERMINATION

15.1 The Committee may at any time discontinue the grant of further Awards.

15.2 The Committee may amend any of the provisions of the Plan in any way it thinks fit, provided that:

- (a) the Committee shall not make any amendment that would materially prejudice the interests of existing Participants except with the prior consent or sanction of Participants who, if they exercised their Options in full or the Restricted Period in respect of their Award expired, would thereby become entitled to not less than three-quarters of all the Shares which would fall to be allotted, transferred or released upon exercise in full of all outstanding Options and expiry of the Restricted Period; and
- (b) no amendment to the advantage of Employees or may be made to:
 - (i) the definition of **Employee** in Section 2;
 - (ii) the limitations on the number of Shares subject to the Plan;
 - (iii) the basis for determining an Executive's entitlement to Shares under the Plan;
 - (iv) the terms of Shares to be provided under the Plan;
 - (v) the adjustment provisions of Section 12 of the Plan; or
 - (vi) the Option Price applicable to an Option (other than in the circumstances permitted in Rule 12),

without the prior approval of the Company in general meeting except in the case of minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Employees or any member of the Combined Group; and

- (c) without prejudice to any provision of the Plan which provides for the lapse of an Option, the Committee may not cancel an Option unless the Option Holder agrees in writing to such cancellation.

15.3 At any time during an Option Period where the Option Price applicable to an Option is higher than the Fair Market Value of a Share (an "**Underwater Option**"), the Committee shall not permit a Participant to exchange an Underwater Option in consideration of the grant of an Option with a lower Option Price, without the prior approval of the Company in general meeting other than in the circumstances permitted in Section 13.7.

15.4 Notwithstanding any other provision of the Plan, the Committee may establish appendices to the Plan for the purpose of granting Approved Options to Employees who are primarily liable to tax in the United Kingdom and Awards to Employees who are or may become primarily liable to tax outside the United Kingdom on their remuneration, subject to such modifications as may be necessary or desirable to take account of overseas tax, exchange control or securities laws provided that any shares made available under such appendices shall count towards the limit set out in Section 5.1.

15.5 Benefits under the Plan shall not be pensionable.

APPENDIX 1

United States Part of the Plan

For any Employee whose remuneration is (or, at the time of Option exercise, is expected wholly to be) subject to taxation in the United States of America and to whom the Committee wishes to grant Options under this Plan which will be treated as Incentive Share Options, the following provisions shall apply:

- (A) All the provisions of the Plan shall apply to the grant of Options subject to the modifications contained in the following paragraphs.
- (B) The number of Shares issued or transferred pursuant to the exercise of Incentive Share Options shall not, in aggregate, exceed 40 million Shares. The number of Shares available for issuance pursuant to the preceding sentence shall not exceed the limit in Section 5.1 and shall be subject to appropriate adjustment on the occurrence of any event described in Section 12.
- (C) The term “disability” in Section 8.3 shall have the meaning given by Section 22(e)(3) of the Code.

APPENDIX 2

Inland Revenue approved part of the Scheme

In relation to any Employee whose remuneration is subject to taxation in the UK and to whom the Committee wishes to grant Approved Options, the following provisions relating to Options shall apply:

- (D) Sections 1 to 15 of the Plan shall apply to the grant of Approved Options under this Appendix 2 subject to the modifications contained in the following paragraphs.
- (E) This Appendix 2 shall not apply to Awards of Restricted Shares and Restricted Share Units and, accordingly, Sections 9 to 10 shall not apply to this Appendix 2.
- (F) The definition of **Employee** in Section 2 shall be construed so that:
 - (i) no Option may be granted under this Appendix 2 to a director of any member of the plc Group unless such director is required to devote not less than 25 hours per week to the affairs of the plc Group; and
 - (ii) no Option may be granted under this Appendix 2 to an employee (including one who is a director) who is ineligible to participate in the Plan by virtue of paragraph 9 of Schedule 4 to ITEPA.
- (G) Part (b) of the definition of Fair Market Value shall not apply to the grant of Options under this Appendix 2. In its place, a new paragraph (b) shall be inserted as follows:

“(b) subject to (a) above, the value as agreed between the Inland Revenue and the Company in writing in advance of the Date of Grant;”
- (H) The definition of **Shares** shall be subject to the condition that they satisfy paragraphs 16 to 20 of Schedule 4 to ITEPA. For the avoidance of doubt, Options may not be granted over ADRs under this Appendix 2.
- (I) In addition to its powers under Section 4, the Committee may make such amendments to this Appendix 2 without the approval of shareholders in general meeting as are necessary or desirable to obtain or maintain Inland Revenue approval of this Appendix 2.
- (J) Any Option granted under this Appendix 2 may only be exercised by an Option Holder who is not ineligible to participate in the Plan by virtue of paragraph 9 of Schedule 4 to ITEPA.
- (K) Section 4.2(e) shall not apply to the grant of Options under this Appendix 2.
- (L) Section 4.2(f) shall not apply to the grant of Options under this Appendix 2.
- (M) Any correction pursuant to Section 4.2(g) to an Option granted under this Appendix 2 shall be subject to the exercise of the amendment power under Section 15, as modified by this Appendix 2.

(N) Section 6 shall not apply to the grant of Options under this Appendix 2. In its place a new Section 6 shall be inserted as follows:

“6. ELIGIBILITY

6.1 No Employee shall be granted an Option unless:

- (a) he has received written notification from the Committee, or from a person designated by the Committee, that he has been selected to participate in the Plan; and
- (b) immediately following such grant the aggregate Fair Market Value of the Shares which he may acquire by exercise of the Option and any Shares which he may acquire by exercise of any other options granted under the Plan or any other approved CSOP scheme (within the meaning of section 521(4) of ITEPA) established by the plc Group will not exceed £30,000 or such other amount as may be specified pursuant to paragraph 6 of Schedule 4 to ITEPA and for this purpose Fair Market Value shall be determined on the date on which the relevant Option is granted.”

(O) Section 7.4 shall not apply to the grant of Options under this Appendix 2. In its place a new Section 7.4 shall be inserted as follows:

“Conditions of Exercise

7.4 The exercise of an Option may be subject to such conditions for payment of taxation, employees’ National Insurance contributions and employer’s National Insurance contributions liability as the Committee may determine (including without limitation the right to sell on an Option Holder’s behalf sufficient Shares to satisfy any taxation or National Insurance contributions) and if any condition is imposed relating to the assumption, payment or reimbursement by the Option Holder of employer’s National Insurance contributions liability, such conditions shall comply with any applicable legislation or regulations and the Company shall be entitled to waive in whole or in part the Option Holder’s obligation in respect of such liability.”

(P) Section 7.6 shall not apply to the grant of Options under this Appendix 2. In its place a new Section 7.6 shall be inserted as follows:

“Performance Goals

7.6 The Committee shall determine prior to the Date of Grant whether any Performance Goals shall apply to the vesting of an Option and if so these shall be set out in the applicable Share Option Agreement or share option certificate. Any Performance Goals applied by the Committee must be objective. If events subsequently occur which cause the Committee to consider that a different Performance Goal would be a fairer measure of the performance of the job-holder, an amendment may be made to the extent that the Committee reasonably consider would result in the Performance Goal being no more nor less difficult to satisfy than it would have been without such amendment.”

(Q) Section 7.8(c) shall not apply to the grant of Options under this Appendix 2. In its place a new Section 7.8(c) shall be inserted as follows:

“Options shall not be transferable by the Participant other than to the Option Holder’s personal representative on his death and shall be exercisable during the Participant’s lifetime by him alone;”

(R) Section 11.1 shall not apply to Options granted under this Appendix 2. In its place, a new Section 11.1 shall be inserted as follows:

“Additional Provisions of an Award

11.1 Awards granted to a Participant under the Plan may also be subject to such other provisions (whether or not applicable to other Awards granted to any such Participant) as the Committee determines appropriate to be offered to a Participant to assist the Participant in financing the acquisition of Shares upon the exercise of Options (provided that such financing does not violate the Sarbanes-Oxley Act of 2002 and applicable UK law). Any such arrangements are subject to the prior approval of the Inland Revenue”

(S) Sections 11.4 and 11.5 shall not apply to the grant of Options under this Appendix 2. In their place new Sections 11.4 and 11.5 shall be inserted as follows:

“Tax Withholding

11.4 Subject to Section 11.5 below, a Participant may be required to pay to a member of the Combined Group, and each member of the Combined Group shall have the right and is hereby authorized to withhold from any Shares or other property deliverable under any Award or from any compensation or other amounts owing to a Participant, the amount (in cash) of any required tax withholding and payroll taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan 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.

11.5 Prior to the exercise of an Option, the Committee shall offer a Participant the opportunity to elect to satisfy, in whole or in part, any withholding liability by the methods set out in this subsection (but no more than the minimum required withholding liability if using method (b) or (c) of this subsection):

- (a) payment in cash;
- (b) delivery of Shares owned by the Participant with a Fair Market Value equal to such withholding liability;
- (c) authorising the Company to arrange the sale of sufficient Shares to generate proceeds sufficient to discharge any withholding liability.

In the event that the Participant fails to satisfy the liability within 7 days, the Committee shall be authorised to arrange the sale of sufficient Shares to generate proceeds sufficient to discharge.”

(T) Sections 11.9, 11.10 and 11.11 shall not apply to Options granted under this Appendix 2.

(U) Section 12.1 shall be amended so that the Committee shall not have power to adjust Options granted under this Appendix 2 in the circumstances envisaged by sub-sections (b) or (c) of Section 12.1, nor to adjust the type of Shares subject to an Option. Any adjustment pursuant to Section 12.1 to an Option granted under this Appendix 2 shall not take effect without the prior approval of the Inland Revenue.

(V) Section 13.5 shall not apply to Options granted under this Appendix 2.

(W) Section 13.7 shall not apply to Options granted under this Appendix 2. In its place, a new Section 13.7 and a new Section 13.8 shall be inserted as follows:

“Roll-over of Options

13.7 If any event occurs which falls within sub-section (a), (d) or (e) of the definition of Change of Control, each Participant who holds an Option granted under this Appendix 2 may at any time within the appropriate period (which expression shall be construed in accordance with paragraph 26(3) of Schedule 4 of ITEPA), by agreement with the acquiring company, release any Option which has not lapsed (the “**Old Option**”) in consideration of the grant to him of an option (the “**New Option**”) which (in accordance with Section 13.8 below) is equivalent to the Old Option but relates to shares in a different company (whether the acquiring company itself or another company falling within paragraph 27(2)(b) of Schedule 4 of ITEPA) (the “**New Grantor**”).

13.8 The New Option shall not be regarded for the purposes of Section 13.7 as equivalent to the Old Option unless the conditions set out in paragraph 27(4) of Schedule 4 of ITEPA are satisfied and, in relation to the New Option, the provisions of the Plan shall be construed as if:

- (i) the New Option were an option granted under the Plan at the same time as the Old Option;
- (ii) references to any Performance Goals were references to such new Performance Goals (if any) relating to the business of the New Grantor or any member of the New Grantor’s group as the Committee may consider are appropriate in the circumstances;
- (iii) references to the Company in Sections 2 to 15 and in the definition of plc Group were references to the New Grantor;
- (iv) references to the Committee in Sections 7.7(e), 8.3, 11.1, 11.5, 11.17, 12, 13, and 15.2 were references to the board of directors of the New Grantor or any duly authorised committee thereof; and
- (v) references to Shares were references to shares in the New Grantor.”

(X) Section 15.3 shall not apply to Options granted under this Appendix 2.

(Y) At a time when this Appendix 2 is approved by the Inland Revenue, and if such approved status is to be maintained, no amendment to any key feature (as defined by paragraph 30(4) of Schedule 4 to ITEPA) of the rules of the Plan or this Appendix 2 may take effect as regards this Appendix 2 without the prior approval of the Inland Revenue (and if such approved status is not to be maintained, the Company shall notify the Inland Revenue of the relevant amendment).

(Z) All Shares allotted or transferred upon the exercise of an Option granted under this Appendix 2 shall rank pari passu in all respects with the Shares in issue at the date of exercise save as regards any rights attaching to such Shares by reference to a record date prior to the date of exercise.

**CARNIVAL CORPORATION
AMENDED AND RESTATED
2001 OUTSIDE DIRECTOR STOCK PLAN**

(Adopted by the Board of Directors on February 16, 2001 and approved by the shareholders on April 17, 2001, effective as of January 1, 2001, amended by the Board of Directors on October 8, 2001, further amended by the Board of Directors on July 19, 2004, January 18, 2005, October 16, 2007, January 15, 2008 and further amended by the Board of Directors December 17, 2008)

1. Purpose.

The purpose of the Plan is to promote the interests of the Combined Group by strengthening the Combined Group's ability to attract and retain the services of experienced and knowledgeable non-executive directors and by encouraging such directors to acquire an increased proprietary interest in the Combined Group and more closely align the interests of such directors with those of the Combined Group's shareholders.

The Plan provides for granting of Restricted Stock Awards and Restricted Stock Unit Awards.

2. Definitions.

The following definitions shall be applicable throughout the Plan.

(a) "Affiliate" means (i) any entity that directly or indirectly is controlled by, controls or is under common control with the Company or Carnival plc, and (ii) to the extent provided by the Committee, any entity in which the Company or Carnival plc has a significant equity interest.

(b) "Award" means, individually or collectively, any Restricted Stock Award or Restricted Stock Unit Award.

(c) "Award Agreement" means a Restricted Stock agreement or Restricted Stock Unit agreement.

(d) "Board" means the Board of Directors of the Company.

(e) "Carnival plc" means the entity previously known as P&O Princess Cruises plc, a public limited company incorporated under the laws of England and Wales, and any successor thereto.

(f) "Code" means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(g) "Committee" means the Compensation Committee of the Board.

(h) "Common Stock" means the common stock, par value \$0.01 per share, of the Company and any stock into which such common stock may be converted or into which it may be exchanged.

(i) "Combined Group" means the Company and Carnival plc and any successor thereto.

(j) "Company" means Carnival Corporation, a corporation organized under the laws of the Republic of Panama, and any successor thereto.

(k) "Date of Grant" means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization or, if there is no such date, the date indicated on the applicable Award Agreement.

(l) "Disability" means a Participant's total disability as defined below and determined in a manner consistent with Code Section 409A and the regulations thereunder:

The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

A Participant will be deemed to have suffered a Disability if determined to be totally disabled by the Social Security Administration. In addition, the Participant will be deemed to have suffered a Disability if determined to be disabled in accordance with a disability insurance program maintained by the Company, provided that the definition of disability applied under such disability insurance program complies with the requirements of Code Section 409A and the regulations thereunder.

(m) "Effective Date" means January 1, 2001.

(n) "Eligible Director" shall have the meaning assigned to it in Section 6.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Fair Market Value", on a given date, means (i) if the Shares are listed on a national securities exchange, the average of the highest and lowest sale prices reported as having occurred on the primary exchange with which the Shares are listed and traded on such date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported; (ii) if the Shares are not listed on any national securities exchange but is quoted in the Nasdaq National Market ("Nasdaq") on a last sale basis, the average between the high bid price and low ask price reported on the date prior to such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or (iii) if the Shares are not listed on a national securities exchange nor quoted in the Nasdaq on a last sale basis, the amount determined by the Committee to be the fair market value based upon a good faith attempt to value the Shares accurately and computed in accordance with applicable regulations of the Internal Revenue Service.

(q) "Mature Shares" means Shares owned by a Participant which are not subject to any pledge or security interest and have either been held by the Participant for six months, previously acquired by the Participant on the open market or meet such other requirements as the Committee may determine are necessary in order to avoid an accounting earnings charge on account of the use of such Shares to pay the Option Price or satisfy any applicable withholding obligation in respect of an Option.

(r) "Option" means an Award granted under Section 8 prior to January 15, 2008.

(s) "Option Price" means the exercise price for an Option.

(t) "Pairing Agreement" means the Pairing Agreement, dated April 17, 2003, among the Company, The Law Debenture Trust Corporation (Cayman) Limited, as trustee of the Carnival plc Special Voting Trust, and Sun Trust Bank, as transfer agent, as it may be amended from time to time.

(u) "Participant" means each Eligible Director receiving an Award pursuant to the Plan.

(v) "Plan" means this Carnival Corporation Amended and Restated 2001 Outside Director Stock Plan.

(w) "Restricted Period" means, with respect to any Share of Restricted Stock or any Restricted Stock Unit, the period of time during which such Award is subject to restrictions set forth in Section 9 and the applicable Award Agreement.

(x) "Restricted Stock" means Shares issued or transferred to a Participant subject to forfeiture and the other restrictions set forth in Section 9 and the applicable Award Agreement.

(y) "Restricted Stock Award" means an Award of Restricted Stock granted under Section 9.

(z) "Restricted Stock Unit" means a hypothetical investment equivalent to one Share granted in connection with an Award made under Section 9.

(aa) "Restricted Stock Unit Award" means an Award of Restricted Stock Units granted under Section 9.

(bb) "Securities Act" means the Securities Act of 1933, as amended.

(cc) "Share" means the aggregate of one share of Common Stock and one Trust Share.

(dd) "Stock Option Agreement" means any agreement between the Company and a Participant who has been granted an Option pursuant to Section 8 which defines the rights and obligations of the parties thereto.

(ee) "Subsidiary" means any subsidiary of the Company as defined in Section 424(f) of the Code.

(ff) "Trust Share" has the meaning assigned to it in the Pairing Agreement.

(gg) "Vested Unit" has the meaning assigned to it in Section 9(d).

3. Effective Date, Duration and Shareholder Approval.

(a) The Plan is effective as of the Effective Date, and the Plan was approved by shareholders at a meeting held on April 17, 2001 in a manner intended to comply with the shareholder approval requirements of the New York Stock Exchange. This amendment and restatement shall be effective as of January 18, 2005, subject to approval by the Company's shareholders in a manner intended to comply with the shareholder approval requirements of the New York Stock Exchange. The validity of any and all Awards granted after January 18, 2005 to Participants are contingent upon approval of the January 18, 2005 amendment and restatement of the Plan by the shareholders of the Company in a manner intended to comply with the shareholder approval requirements of the New York Stock Exchange.

(b) The expiration date of the Plan, on and after which no Awards may be granted hereunder, shall be January 1, 2011; provided, however, that the administration of the Plan shall continue in effect until all matters relating to Awards previously granted have been settled.

4. Administration.

(a) The Plan shall be administered by the Committee. A majority of the Committee will constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all members of the Committee without a meeting, will be acts of the Committee.

(b) Subject to the express provisions of the Plan, the Committee shall have plenary authority to interpret the Plan, to prescribe, amend and rescind the rules and regulations relating to it and to make all other determinations deemed necessary and advisable for the administration of the Plan. No member of the Committee shall be liable for anything done or omitted to be done by him or by any other member of the Committee in connection with the Plan, except for his own willful misconduct or gross negligence. All decisions which are made by the Committee with respect to interpretation of the terms of the Plan and with respect to any questions or disputes arising under the Plan shall be final and binding on the Company and the participants, their heirs or beneficiaries. The Committee shall not be empowered to take any action, whether or not otherwise authorized under the Plan, which would result in any Eligible Director failing to qualify as a "disinterested person."

5. Shares Subject to Awards.

(a) Subject to the adjustment provisions of Section 10(e), the aggregate number of Shares in respect of which Awards may be granted under the Plan shall not exceed 1,000,000.

(b) Shares shall be deemed to have been used in settlement of Awards whether or not they are actually delivered. In the event any Award shall be surrendered, terminate, expire, be forfeited or be cancelled for any reason whatsoever without the Participant having benefited therefrom, the number of Shares no longer subject thereto shall thereupon be released and shall thereafter be available for new Awards under the Plan. For purposes of the foregoing sentence, a Participant shall not be deemed to have received any "benefit" in the case of forfeited Restricted Stock Awards by reason of having enjoyed voting rights and dividend rights prior to the date of forfeiture.

(c) Shares delivered by the Company in settlement of Awards may be authorized and unissued Shares or Shares held in the treasury of the Company or purchased on the open market or by private purchase.

(d) There shall be reserved at all times for sale under the Plan a number of Shares, of either authorized and unissued Shares, Shares held in the Company's treasury, or both, equal to the maximum number of shares in respect of which Awards may be granted under the Plan.

6. Participation in Plan. Each member of the Company's Board of Directors who is not otherwise an employee of the Company or any Affiliate or subsidiary of the Company within the meaning of the Employee Retirement Income Security Act of 1974 (an "Eligible Director") shall be eligible to participate in the Plan. A director who is an employee and who retires or resigns from employment with the Company and/or its Affiliates, but remains an Eligible Director of the Company, shall become eligible to participate in the Plan in accordance with Section 7, effective as of the first annual meeting of shareholders held after his termination of employment.

7. Annual Award Grants. Each Eligible Director shall receive upon initial election to office by the shareholders and thereafter annually on the date of the Company's annual meeting of shareholders at which such Eligible Director is re-elected to office, or on any other date properly approved pursuant to this Section 7, an Award of a total of 2,500 Shares of Restricted Stock or Restricted Stock Units. An Award may be composed of Restricted Stock, Restricted Stock Units or a combination thereof, at the discretion of the Committee which discretion shall be exercised not later than the Date of Grant of such Award. The Board may authorize a Date of Grant other than the date of the Company's annual meeting of shareholders, provided, that Awards granted to each Participant do not exceed 2,500 Shares in any given calendar year.

8. Terms of Options. The terms of this Section 8 shall apply to Options granted prior to January 15, 2008.

(a) Manner of Exercise and Form of Payment.

(i) An Option granted under the Plan shall be deemed exercised when the person entitled to exercise the Option (a) delivers written notice to the Company at its principal business office, directed to the attention of its Secretary, of the decision to exercise, specifying the number of shares with respect to which the option is exercised and the price per share designated in the Stock Option Agreement, (b) concurrently tenders to the Company full payment for the Shares to be purchased pursuant to such exercise, and (c) complies with such other reasonable requirements as the Committee establishes pursuant to Section 8 of the Plan.

(ii) Full payment for Shares purchased by the Participant shall be made at the time of any exercise, in whole or in part, of an Option, and certificates for such Shares shall be delivered to the Participant as soon thereafter as is reasonably possible. No Shares shall be transferred to the Participant until full payment therefor has been made and the Participant shall have none of the rights of a shareholder with respect to any Shares subject to an Option until a certificate for such shares shall have been issued and delivered to the Participant. Such payment shall be made in cash or by check or by money order payable to the Company, in each case payable in U.S. currency. In the Committee's discretion, such payment may be made by delivery of Mature Shares having a Fair Market Value (determined as of the date of the Option is so exercised in whole or in part), that, when added to the value of any cash, check or money order satisfying the foregoing requirements, will equal the aggregate purchase price.

(b) Termination of Board Membership.

(i) Death or Disability. Upon a Participant's ceasing to be a member of the Board due to death or Disability, all unvested Options shall immediately vest and become exercisable and all vested Options shall continue to be exercisable by the Participant or his estate, as applicable, until the earlier to occur of (i) the original expiration date of such Option, and (ii) one year from such cessation.

(ii) Other Termination. Except as provided in the proviso to this Section, upon a Participant's ceasing to be a member of the Board for any reason other than death or Disability, all unvested Options shall continue to vest in accordance with their initial terms, and all vested Options shall continue to be exercisable until the original expiration date of such Option; provided, however, that if the Participant ceases to be a member of the Board prior to serving in such capacity for one year, all of such Participant's Options shall immediately expire upon such termination.

9. Restricted Stock and Restricted Stock Units.

(a) Awards of Restricted Stock and Restricted Stock Units.

(i) Each Participant granted a Restricted Stock Award shall execute and deliver to the Company a Restricted Stock agreement with respect to the Restricted Stock setting forth the restrictions and other terms and conditions applicable to such Restricted Stock including the Restricted Period set forth in Section 9(c). If the Committee determines that the Restricted Stock shall be held in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (A) an escrow agreement satisfactory to the Committee and (B) the appropriate blank stock powers with respect to the Restricted Stock covered by such agreement. If a Participant shall fail to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and stock powers, the Award shall be null and void. Subject to the restrictions set forth in Section 9(b) and Section 9(c), the Participant generally shall have the rights and privileges of a stockholder as to such Restricted Stock, including the right to vote such Restricted Stock. At the discretion of the Committee, cash dividends and stock dividends with respect to the Restricted Stock may be either currently paid to the Participant or withheld by the Company for the Participant's account, and interest may be credited on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee. To the extent applicable, the cash dividends or stock dividends so withheld by the Committee and attributable to any particular share of Restricted Stock (and earnings thereon, if applicable) shall be distributed to the Participant upon the release of restrictions on such share and, if such share is forfeited, the Participant shall have no right to such cash dividends, stock dividends or earnings.

(ii) Upon the grant of an Award of Restricted Stock, the Committee shall cause a stock certificate registered in the name of the Participant to be issued and, if it so determines, deposited together with the stock powers with an escrow agent designated by the Committee. If an escrow arrangement is used, the Committee may cause the escrow agent to issue to the Participant a receipt evidencing any stock certificate held by it registered in the name of the Participant.

(iii) The terms and conditions of a grant of Restricted Stock Units shall be reflected in a written Restricted Stock Unit agreement. No Shares shall be issued at the time an Award of Restricted Stock Units is made, and the Company will not be required to set aside a fund for the payment of any such Award. At the discretion of the Committee, each Restricted Stock Unit (representing one Share) awarded to a Participant may be credited with cash and stock dividends paid by the Company in respect of one Share ("Dividend Equivalents"). As provided in each Award, Dividend Equivalents may be either currently paid to the Participant or withheld by the Company for the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents withheld at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's account and attributable to any particular Restricted Stock Unit (and earnings thereon, if applicable) shall be distributed to the Participant upon settlement of such Restricted Stock Unit and, if such Restricted Stock Unit is forfeited, the Participant shall have no right to such Dividend Equivalents.

(b) Restrictions; Forfeiture.

(i) Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period, and to such other terms and conditions as may be set forth in the applicable Restricted Stock agreement: (A) if an escrow arrangement is used, the Participant shall not be entitled to delivery of the stock certificate; and (B) the Shares shall be subject to the restrictions on transferability set forth in the applicable Restricted Stock agreement. Restricted Stock awarded to a Participant who has not been a member of the Board for at least one year at the time of such award shall be forfeited, and the applicable stock certificates returned to the Company, if the Participant ceases to be a member of the Board for any reason other than death or Disability prior to the one-year anniversary of his or her initial election to the Board. In the event of such a forfeiture, all rights of the Participant to such Restricted Stock, and as a shareholder in respect thereof, shall terminate without further obligation on the part of the Company.

(ii) Restricted Stock Units awarded to any Participant who has not been a member of the Board for at least one year at the time of such award shall be forfeited, and all rights of the Participant to in respect thereof, shall terminate without further obligation on the part of the Company if the Participant ceases to be a member of the Board for any reason other than death or Disability prior to the one-year anniversary of his or her initial election to the Board. Restricted Stock Units shall be subject to such other terms and conditions as may be set forth in the applicable Restricted Stock Unit agreement.

(iii) The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock and Restricted Stock Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of the Restricted Stock Award or Restricted Stock Unit Award, such action is appropriate.

(c) Restricted Period. The Restricted Period of Restricted Stock Awards and Restricted Stock Unit Awards granted to any Participant shall commence on the Date of Grant and shall expire as to one-hundred percent (100%) of the Restricted Stock or Restricted Stock Units, as applicable, subject thereto on each of third anniversary of the Date of Grant whether or not such Participant continues to be a member of the Board; provided, however, that upon a Participant's ceasing to be a member of the Board due to death or Disability, the Restricted Period shall expire as to one hundred percent (100%) of the Shares subject thereto.

(d) Delivery of Restricted Stock and Settlement of Restricted Stock Units.

(i) Upon the expiration of the Restricted Period with respect to any Shares covered by an Award of Restricted Stock which has not been forfeited in accordance with the second sentence of Section 9(b)(i), the restrictions set forth in this Section 9 and the Restricted Stock agreement shall be of no further force or effect with respect to shares of Restricted Stock which have not then been forfeited. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his beneficiary, without charge, the stock certificate evidencing the shares of Restricted Stock with respect to which the Restricted Period has expired (to the nearest full share) and any cash dividends or stock dividends credited to the Participant's account with respect to such Restricted Stock and the interest thereon, if any.

(ii) Upon the expiration of the Restricted Period with respect to any Restricted Stock Units covered by a Restricted Stock Unit Award which has not been forfeited in accordance with Section 9(b)(ii), the Company shall deliver to the Participant, or his beneficiary, without charge, one Share for each Restricted Stock Unit with respect to which the Restricted Period has expired ("Vested Unit") and cash equal to any Dividend Equivalents credited with respect to each such Vested Unit in accordance with Section 9(a)(iii) hereof and the interest thereon, if any; provided, however, that, if explicitly provided in the applicable Restricted Stock Unit agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Shares in lieu of delivering only Shares for Vested Units. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the date on which the Restricted Period lapsed with respect to such Vested Unit.

(e) Stock Restrictions. Each certificate representing Restricted Stock awarded under the Plan shall bear a legend substantially in the form of the following until the lapse of all restrictions with respect to the Shares subject to the Award as well as any other information the Company deems appropriate:

Transfer of this certificate and the shares represented hereby is restricted pursuant to the terms of the Carnival Corporation Amended and Restated 2001 Outside Director Stock Plan and a Restricted Stock Agreement, dated as of _____, between Carnival Corporation and _____. Copies of such Plan and Agreement are on file at the offices of Carnival Corporation.

Stop transfer orders shall be entered with the Company's transfer agent and registrar against the transfer of legended securities.

10. General.

(a) Nontransferability of Awards. No Award or any right evidenced thereby shall be transferable in any manner other than by will or the laws of descent and distribution, and, during the lifetime of a Participant, only the Participant (or the Participant's court-appointed legal representative) may exercise an Option. In the Committee's discretion, an Award may be transferred pursuant to a "qualified domestic relations order," as defined in section 414(p) of the Code or any similar domestic relations order enforceable in the jurisdiction in which such Participant resides.

(b) Rights of Participant. Neither the Participant nor the Participant's executor or administrator shall have any of the rights of a shareholder of the Company with respect to the Shares subject to an Option until certificates for such Shares shall actually have been issued upon the due exercise of such Option. No adjustment shall be made for any regular cash dividend for which the record date is prior to the date of such due exercise and full payment for such Shares has been made therefor.

(c) Right To Terminate Relationship. Nothing in the Plan or in any Award shall confer upon any Participant the right to continue to serve as a director of the Company.

(d) Nonalienation of Benefits. No right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void. To the extent permitted by applicable law, no right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefits.

(e) Adjustment Upon Changes in Capitalization, etc.

(i) Awards granted under the Plan, any Award Agreements, and the maximum number of Shares subject to all Awards stated in Section 5(a) shall be subject to adjustment or substitution, as determined by the Committee in its sole discretion, as to the number, price or kind of a share of stock or other consideration subject to such Awards or as otherwise determined by the Committee to be equitable in the event of any stock split, stock dividend, stock change, reclassification, an unpairing of the shares of Common Stock from the Trust Shares, recapitalization or combination of shares which changes the character or amount of Shares (x) in the case of Options, prior to exercise of any portion of an Option theretofore granted under the Plan, such that such option, to the extent that it shall not have been exercised, shall entitle the Participant (or the Participant's executor or administrator) upon its exercise to receive in substitution therefor such number and kind of shares as the Participant would have been entitled to receive if the Participant had actually owned the Shares subject to such Option at the time of the occurrence of such change; provided, however, that if the change is of such a nature that the Participant, upon exercise of the Option, would receive property other than shares of stock the Committee shall make an appropriate adjustment in the Option to provide that the Participant (or the Participant's executor or administrator) shall acquire upon exercise only shares of stock of such number and kind as the Committee, in its sole judgment, shall deem equitable; and, provided further, that any such adjustment shall be made so as to conform to the requirements of section 424(a) of the Code; and (y) in the case of Restricted Stock and Restricted Stock Units, occurring after the Date of Grant of any such Awards.

(ii) In the event that any transaction (other than a change specified in the preceding paragraph) described in section 424(a) of the Code affects the Shares subject to any unexercised Option or subject to any Award with respect to which the Restricted Period has not expired, the Board of Directors of the surviving or acquiring corporation shall make such similar adjustment as is permissible and appropriate. If any such change or transaction shall occur, the number and kind of Shares for which Awards may thereafter be granted under the Plan shall be adjusted to give effect thereto.

(f) Purchase for Investment. Whether or not the Options and Shares covered by the Plan have been registered under the Securities Act of 1933, each person exercising an Option under the Plan may be required by the Company to give a representation in writing that such person is acquiring such Shares for investment and not with a view to, or for sale in connection with, the distribution of any part thereof. The Company will endorse any necessary legend referring to the foregoing restriction upon the certificate or certificates representing any Shares issued or transferred to the Participant upon the exercise of any Option granted under the Plan.

(g) Form of Agreements with Participants. Each Award granted pursuant to the Plan shall be in writing and shall have such form, terms and provisions, not inconsistent with the provisions of the Plan, as the Committee shall provide for such Award. Each Participant shall be notified promptly of such grant, and an Award shall be promptly executed and delivered by the Company and the Participant.

(h) Termination and Amendment of Plan and Awards.

(i) Unless the Plan shall theretofore have been terminated as hereinafter provided, Awards may be granted under the Plan at any time, and from time to time, prior to the tenth anniversary of the Effective Date, on which date the Plan will expire, except as to Awards then outstanding under the Plan. Such Awards shall remain in effect until they have been exercised, have expired or have been canceled.

(ii) The Board, without further approval of the Company's shareholders, may terminate, modify or amend this Plan at any time and from time to time in such respects as the Board may deem advisable, subject to any shareholder or regulatory approval required by law or the New York Stock Exchange; provided, that any such amendment shall comply with the applicable requirements for exemption (to the extent necessary) under Rule 16b-3 under the Exchange Act.

(iii) No termination, modification or amendment of the Plan, without the consent of the Participant, may adversely affect the rights of such person with respect to such Award. With the consent of the Participant and subject to the terms and conditions of the Plan, the Committee may amend outstanding Award agreements with any Participant.

(iv) Notwithstanding the above, without shareholder approval, the Committee may not take any action that results in the "repricing" of any Option granted under the Plan. For purposes of this Section 10(h)(iv), a "repricing" means any of the following (or any other action that has the same effect of any of the following): (a) amending or modifying the terms of an Option after the Date of Grant in a manner that reduces the Option Price of such Option; (b) any other action that would either (A) be reportable on the Company's proxy statement as Options which have been "repriced" (as such term is used in Item 402 of Regulation S-K promulgated under the Exchange Act) or (B) results in an Option being considered repriced under generally accepted accounting principles; or (c) canceling an Option at time when its Option Price is equal to or less than the Fair Market Value of the Shares subject to the Option, in exchange for another Option, Restricted Stock Award, Restricted Stock Unit Award, or any other equity-based award. A cancellation and exchange described in clause (c) of the preceding sentence will be considered a "repricing" regardless of whether (A) the Option, Restricted Stock Award, Restricted Stock Unit Award, or other equity-based award is delivered simultaneously with the cancellation of the Option, (B) it is reportable as a repricing in the Company's proxy statement or under generally accepted accounting principles, or (C) the cancellation of the Option was voluntary on the part of the Participant.

(i) Government and Other Regulations. The obligation of the Company with respect to Awards granted under the Plan shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agency as may be required, including, without limitation, the effectiveness of any registration statement required under the Securities Act, the rules and regulations of any securities exchange on which the Shares may be listed.

(j) Withholding. A Participant may be required to pay to a member of the Combined Group or any Affiliate, and each member of the Combined Group or any Affiliate shall have the right and is hereby authorized to withhold from any Shares or other property deliverable under any Award or from any compensation or other amounts owing to a Participant the amount (in cash, Shares or other property) of any required tax withholding in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan 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.

(k) Separability. If any of the terms or provision of the Plan conflict with the requirements of Rule 16b-3 under the Exchange Act, then such terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of Rule 16b-3.

(i) Governing Law. The Plan shall be governed by and construed in accordance with the internal laws of the State of Florida without regard to the 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.

CARNIVAL CORPORATION
2002 STOCK PLAN

(Effective as of January 14, 2002,
as amended as of September 25, 2002, April 17, 2003,
April 21, 2004, and as amended and restated as of December 16, 2008; applicable to awards
outstanding on such date and granted following such date)

1. Purpose

The purpose of the Plan is to provide a means through which each member of the Combined Group and their respective Affiliates may attract able persons to enter and remain in the employ of members of the Combined Group and their Affiliates and to provide a means whereby employees, directors and consultants of each member the Combined Group and their Affiliates can acquire and maintain Share ownership, or be paid incentive compensation measured by reference to the value of Shares, thereby strengthening their commitment to the welfare of the members of the Combined Group and their Affiliates and promoting an identity of interest between shareholders and these persons.

The Plan provides for granting of Incentive Stock Options, Nonqualified Stock Options, Restricted Stock and Restricted Stock Units.

2. Definitions

The following definitions shall be applicable throughout the Plan.

(a) "Affiliate" means (i) any entity that directly or indirectly is controlled by, controls or is under common control with the Company or Carnival plc, and (ii) to the extent provided by the Committee, any entity in which the Company or Carnival plc has a significant equity interest.

(b) "Award" means, individually or collectively, any Incentive Stock Option, Nonqualified Stock Option, Restricted Stock Award or Restricted Stock Unit Award.

(c) "Award Agreement" means a Stock Option Agreement, Restricted Stock agreement or Restricted Stock Unit agreement.

(d) "Board" means the Board of Directors of the Company.

(e) "Carnival plc" means the entity previously known as P&O Princess Cruises plc, a public limited company incorporated under the laws of England and Wales, and any successor thereto.

(f) "Cause" means a member of the Combined Group or an Affiliate having "cause" to terminate a Participant's employment or service, as defined in any existing employment, consulting or any other agreement between the Participant and a member of the Combined Group or an Affiliate or, in the absence of such an employment, consulting or other agreement, upon (i) the determination by the Committee that the Participant has ceased to perform his duties to a member of the Combined Group or an Affiliate (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to such party, (ii) the Committee's determination that the Participant has engaged or is about to engage in willful misconduct or conduct which causes or may reasonably be expected to cause substantial damage to a member of the Combined Group or an Affiliate, (iii) the Participant having been convicted of, or plead guilty or no contest to, a felony or any crime involving as a material element fraud or dishonesty, (iv) the failure of the Participant to follow the lawful instructions of the Board or any of his superiors or (v) in the case of a Participant who is a non-employee director, the Participant ceasing to be a member of the Board in connection with the Participant engaging in any of the activities described in clauses (i) through (iv) above.

(g) “Change of Control” means, unless in the case of a particular Award the applicable Award Agreement states otherwise or contains a different definition of “Change of Control,” the occurrence of any of the following:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more (on a fully diluted basis) of either (A) the then outstanding shares of common stock of the Company, taking into account as outstanding for this purpose such common stock issuable upon the exercise of options or warrants, the conversion of convertible stock or debt, and the exercise of any similar right to acquire such common stock (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this Plan, the following acquisitions shall not constitute a Change of Control: (I) any acquisition by the Company or any Affiliate, (II) any acquisition by any employee benefit plan sponsored or maintained by the Company or any Affiliate, (III) any acquisition by Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses or lineal descendants, any trust established for the benefit of any of the aforementioned Arison family members, or any Person directly or indirectly controlling, controlled by or under common control with any of the aforementioned Arison family members or any trust established for the benefit of any of the aforementioned Arison family members or any charitable trust or non-profit entity established by any person or entity described in this clause (III), (IV) any acquisition by any Person which complies with clauses (A), (B) and (C) of subsection (v) of this Section 2(g), or (V) in respect of an Award held by a particular Participant, any acquisition by the Participant or any “affiliate” (within the meaning of 17 C.F.R. §230.405) of the Participant (persons described in clauses (I), (II), (III) (IV) and (V) being referred to hereafter as “Excluded Persons”);

(ii) individuals who, on the date hereof, constitute the Board (the “Incumbent Directors”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the date hereof, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation A promulgated under the Exchange Act, with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director;

(iii) the dissolution or liquidation of the Company;

(iv) the sale, transfer or other disposition of all or substantially all of the business or assets of the Company; or

(v) the consummation of a reorganization, recapitalization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company that requires the approval of the Company's shareholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), unless immediately following such Business Combination: (A) more than 50% of the total voting power of (x) the corporation resulting from such Business Combination (the "Surviving Company"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of sufficient voting securities eligible to elect a majority of the directors of the Surviving Company (the "Parent Company"), is represented by the Outstanding Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which the Outstanding Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of the Company's Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no Person (other than any Excluded Person), is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) and (C) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Business Combination were Board members at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination.

Notwithstanding the foregoing, any Awards that are otherwise subject to Code Section 409A shall not be distributed or payable upon a Change of Control unless the Change of Control otherwise meets the requirements for a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the company within the meaning of Code Section 409A and the regulations and other guidance promulgated thereunder; instead such Awards shall be distributed or payable in accordance with the Awards' otherwise applicable terms.

(h) "Code" means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(i) "Committee" means the Compensation Committee of the Board. Unless the Board determines otherwise, each member of the Committee shall, at the time he takes any action with respect to an Award under the Plan, be an Eligible Director. However, the mere fact that a Committee member shall fail to qualify as an Eligible Director shall not invalidate any Award granted by the Committee which Award is otherwise validly granted under the Plan.

(j) "Common Stock" means the common stock, par value \$0.01 per share, of the Company and any stock into which such common stock may be converted or into which it may be exchanged.

(k) "Combined Group" means the Company and Carnival plc and any successor thereto.

(l) "Company" means Carnival Corporation, a corporation organized under the laws of the Republic of Panama, and any successor thereto.

(m) "Date of Grant" means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization or, if there is no such date, the date indicated on the applicable Award Agreement.

(n) "Disability" shall mean a Participant's total disability as defined below and determined in a manner consistent with Code Section 409A and the regulations thereunder:

The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

A Participant will be deemed to have suffered a Disability if determined to be totally disabled by the Social Security Administration. In addition, the Participant will be deemed to have suffered a Disability if determined to be disabled in accordance with a disability insurance program maintained by the Company, provided that the definition of disability applied under such disability insurance program complies with the requirements of Code Section 409A and the regulations thereunder.

(o) "Effective Date" means January 14, 2002.

(p) "Eligible Director" means a person who is (i) a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, or a person meeting any similar requirement under any successor rule or regulation and (ii) an "outside director" within the meaning of Section 162(m) of the Code, and the Treasury Regulations promulgated thereunder; provided, however, that clause (ii) shall apply only with respect to grants of Awards with respect to which the Company's tax deduction could be limited by Section 162(m) of the Code if such clause did not apply.

(q) "Eligible Person" means any (i) individual regularly employed by a member of the Combined Group or an Affiliate who satisfies all of the requirements of Section 6; provided, however, that no such employee covered by a collective bargaining agreement shall be an Eligible Person unless and to the extent that such eligibility is set forth in such collective bargaining agreement or in an agreement or instrument relating thereto; (ii) director of a member of the Combined Group or an Affiliate or (iii) consultant or advisor to a member of the Combined Group or an Affiliate who may be offered securities pursuant to Form S-8 (which, as of the Effective Date, includes only those who (A) are natural persons and (B) provide bona fide services to a member of the Combined Group other than in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities).

(r) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(s) "Fair Market Value", on a given date means (i) if the Shares are listed on a national securities exchange, the average of the highest and lowest sale prices reported as having occurred on the primary exchange with which the Shares are listed and traded on such date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported; (ii) if the Shares are not listed on any national securities exchange but is quoted in the Nasdaq National Market ("Nasdaq") on a last sale basis, the average between the high bid price and low ask price reported on the date prior to such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or (iii) if the Shares are not listed on a national securities exchange nor quoted in the Nasdaq on a last sale basis, the amount determined by the Committee to be the fair market value based upon a good faith attempt to value the Shares accurately and computed in accordance with applicable regulations of the Internal Revenue Service.

(t) "Incentive Stock Option" means an Option granted by the Committee to a Participant under the Plan which is designated by the Committee as an incentive stock option as described in Section 422 of the Code and which otherwise meets the requirements set forth herein.

(u) "Mature Shares" means Shares owned by a Participant which are not subject to any pledge or other security interest and have either been held by the Participant for six months, previously acquired by the Participant on the open market or meet such other requirements as the Committee may determine are necessary in order to avoid an accounting earnings charge on account of the use of such Shares to pay the Option Price or satisfy a withholding obligation in respect of an Option.

(v) "Nonqualified Stock Option" means an Option granted by the Committee to a Participant under the Plan, which is not designated by the Committee as an Incentive Stock Option.

(w) "Option" means an Award granted under Section 7.

(x) "Option Period" means the period described in Section 7(c).

(y) "Option Price" means the exercise price for an Option as described in Section 7(a).

(z) "Pairing Agreement" means the Pairing Agreement, dated April 17, 2003, among Carnival Corporation, The Law Debenture Trust Corporation (Cayman) Limited, as trustee of the Carnival plc Special Voting Trust, and Sun Trust Bank, as transfer agent, as it may be amended from time to time.

(aa) "Participant" means an Eligible Person who has been selected by the Committee to participate in the Plan and to receive an Award.

(bb) "Performance Goals" means the performance objectives which may be established by the Committee for the purpose of determining whether, and to what extent, Awards will be earned for a Restricted Period. To the extent an Award is intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Performance Goals shall be established with reference to one or more of the following, either on a Combined Group-wide basis or, as relevant, in respect of the Company, Carnival plc or one or more Affiliates, divisions or operations of a member of the Combined Group:

- (i) earnings (gross, net or per share)
- (ii) stock price (absolute or relative to other companies)
- (iii) market share
- (iv) gross or net profit margin
- (v) costs or expenses
- (vi) productivity improvements
- (vii) total shareholder return (absolute or relative to other companies).

(cc) "Plan" means this Carnival Company 2002 Stock Plan, as amended.

(dd) "Restricted Period" means, with respect to any share of Restricted Stock or any Restricted Stock Unit, the period of time determined by the Committee during which such Award is subject to the restrictions set forth in Section 8.

(ee) "Restricted Stock" means Shares issued or transferred to a Participant subject to forfeiture and the other restrictions set forth in Section 8.

(ff) "Restricted Stock Award" means an Award of Restricted Stock granted under Section 8.

(gg) "Restricted Stock Unit" means a hypothetical investment equivalent to one Share granted in connection with an Award made under Section 8.

(hh) "Restricted Stock Unit Award" means an Award of Restricted Stock Units granted under Section 8.

(ii) Effective for all Awards granted before December 1, 2008, "Retirement" means a termination of employment with a member of the Combined Group and all Affiliates by a Participant on or after the earlier of (i) age 65 with at least five years of employment with a member of the Combined Group and/or its Affiliates or (ii) age 55 with at least 15 years of employment with a member of the Combined Group and/or its Affiliates.

Effective for all Awards granted on or after December 1, 2008, "Retirement" means a termination of employment with a member of the Combined Group and all Affiliates by a Participant on or after the earlier of (i) age 65 with at least five years of employment with a member of the Combined Group and/or its Affiliates or (ii) age 60 with at least 15 years of employment with a member of the Combined Group and/or its Affiliates.

(jj) Effective for all Awards granted before December 1, 2008 "Retirement Age" means attainment of the earlier of (i) age 65 with at least five years of employment with a member of the Combined Group and/or its Affiliates or (ii) age 55 with at least 15 years of employment with a member of the Combined Group and/or its Affiliates.

Effective for all Awards granted on or after December 1, 2008, "Retirement Age" means attainment of the earlier of (i) age 65 with at least five years of employment with a member of the Combined Group and/or its Affiliates or (ii) age 60 with at least 15 years of employment with a member of the Combined Group and/or its Affiliates.

(kk) "Securities Act" means the Securities Act of 1933, as amended.

(ll) "Share" means the aggregate of one share of Common Stock and one Trust Share.

(mm) "Stock Option Agreement" means any agreement between the Company and a Participant who has been granted an Option pursuant to Section 7 which defines the rights and obligations of the parties thereto.

(nn) "Subsidiary" means any subsidiary of the Company as defined in Section 424(f) of the Code.

(oo) "Trust Share" shall have the meaning assigned to it in the Pairing Agreement.

(pp) "Vested Unit" shall have the meaning assigned to it in Section 8(d).

3. Effective Date, Duration and Shareholder Approval

The Plan is effective as of the Effective Date, and the Plan was approved by shareholders at a meeting held on April 15, 2002 in a manner intended to comply with the shareholder approval requirements of Sections 422(b)(1) and 162(m) of the Code and the New York Stock Exchange.

The expiration date of the Plan, on and after which no Awards may be granted hereunder, shall be the tenth anniversary of the Effective Date; provided, however, that the administration of the Plan shall continue in effect until all matters relating to Awards previously granted have been settled.

4. Administration

The Committee shall administer the Plan. The majority of the members of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present or acts approved in writing by a majority of the Committee shall be deemed the acts of the Committee.

Subject to the provisions of the Plan and applicable law, the Committee shall have the power, in addition to other express powers and authorizations conferred on the Committee by the Plan, to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; (iii) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Awards; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances the delivery of cash, Shares, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; (viii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action specified under the Plan or that the Committee deems necessary or desirable for the administration of the Plan.

(b) The Committee shall have the authority to amend the Plan (including by the adaptation of appendices or subplans) and/or the terms and conditions relating to an Award to the extent necessary to permit participation in the Plan by Eligible Persons who are located outside of the United States on terms and conditions comparable to those afforded to Eligible Persons located within the United States; provided, however, that no such action shall be taken without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan (including as necessary to prevent the Company from being denied a tax deduction on account of Section 162(m) of the Code).

(c) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or any documents evidencing Awards shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all parties, including, without limitation, each member of the Combined Group, their respective Affiliates, any Participant, any holder or beneficiary of any Award, and any shareholder.

5. Grant of Awards; Shares Subject to the Plan

The Committee may, from time to time, grant Awards of Options, Restricted Stock, Restricted Stock Units, or other stock-based Awards pursuant to Section 9, to one or more Eligible Persons; provided, however, that:

(a) Subject to Section 11, the aggregate number of Shares in respect of which Awards may be granted under the Plan shall not exceed 40,000,000;

(b) Shares shall be deemed to have been used in settlement of Awards whether they are actually delivered. In the event any Award shall be surrendered, terminate, expire, forfeited or cancelled for any reason whatsoever without the Participant having benefited from therefrom, the number of Shares no longer subject thereto shall thereupon be released and shall thereafter be available for new Awards under the Plan. For purposes of the foregoing sentence, a Participant shall not be deemed to have received any "benefit" in the case of forfeited Restricted Stock Awards by reason of having enjoyed voting rights and dividend rights prior to the date of forfeiture;

(c) Shares delivered by the Company in settlement of Awards may be authorized and unissued Shares or Shares held in the treasury of the Company or purchased on the open market or by private purchase; and

(d) Subject to Section 11, no person may be granted an Award under the Plan during any calendar year with respect to more than 2,000,000 Shares; provided that such number shall be adjusted pursuant to Section 11, and Shares otherwise counted against such number, only in a manner which will not cause the Awards granted under the Plan to fail to qualify as "performance-based compensation" under Section 162(m) of the Code.

6. Eligibility

Participation shall be limited to Eligible Persons who have received written notification from the Committee, or from a person designated by the Committee, that they have been selected to participate in the Plan.

7. Terms of Options

The Committee is authorized to grant one or more Incentive Stock Options or Nonqualified Stock Options to any Eligible Person; provided, however, that no Incentive Stock Option shall be granted to any Eligible Person who is not an employee of the Company or a Subsidiary. Each Option so granted shall be subject to the conditions set forth in this Section 7, or to such other conditions as may be reflected in the applicable Stock Option Agreement.

(a) Option Price. The Option Price per Share for each Option shall be set by the Committee at the time of grant but shall not be less than (i) in the case of an Incentive Stock Option, and subject to Section 7(f), the Fair Market Value of a Share on the Date of Grant, and (ii) in the case of a Non-Qualified Stock Option, Fair Market Value of a Share on the Date of Grant; provided, however, that all Options intended to qualify as "performance-based compensation" under Section 162(m) of the Code shall have an Option Price per Share no less than the Fair Market Value of a Share on the Date of Grant.

(b) Manner of Exercise and Form of Payment. No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the Option Price therefor is received by the Company. Options which have become exercisable may be exercised by delivery of written notice of exercise to the Company accompanied by payment of the aggregate Option Price. The Option Price shall be payable in cash and/or Shares valued at the Fair Market Value at the time the Option is exercised (including by means of attestation of ownership of a sufficient number of Shares in lieu of actual delivery of such Shares to the Company), provided that such Shares are Mature Shares, or, in the discretion of the Committee, either (i) in other property having a fair market value on the date of exercise equal to the Option Price, (ii) by delivering to the Committee a copy of irrevocable instructions to a stockbroker to deliver promptly to the Company an amount of loan proceeds, or proceeds of the sale of the Shares subject to the Option, sufficient to pay the Option Price or (iii) by such other method as the Committee may allow.

(c) Vesting, Option Period and Expiration. Options shall vest and become exercisable in such manner and on such date or dates determined by the Committee and shall expire after such period, not to exceed ten years, as may be determined by the Committee (the "Option Period"); provided, however, that notwithstanding any vesting dates set by the Committee, the Committee may, in its sole discretion, accelerate the exercisability of any Option, which acceleration shall not affect the terms and conditions of such Option other than with respect to exercisability. If an Option is exercisable in installments, such installments or portions thereof which become exercisable shall remain exercisable until the Option expires.

Unless otherwise stated in the applicable Stock Option Agreement, an Option shall expire earlier than the end of the Option Period in the following circumstances:

(i) If prior to the end of the Option Period, the Participant's employment or service with each member of the Combined Group and all Affiliates is terminated by a member of the Combined Group without Cause or by the Participant for any reason other than Retirement, the Option shall expire on the earlier of the last day of the Option Period or the date that is three months after the date of such termination; provided, however, that any Participant whose employment or service with a member of the Combined Group or any Affiliate is terminated and who is subsequently rehired or reengaged by a member of the Combined Group or any Affiliate prior to the expiration of the Option shall not be considered to have undergone a termination. In the event of a termination described in this clause (i), the Option shall remain exercisable by the Participant until its expiration only to the extent the Option was exercisable at the time of such termination.

(ii) If the Participant dies or is terminated on account of Disability prior to the end of the Option Period and while still in the employ or service of a member of the Combined Group or an Affiliate, or dies following a termination described in clause (i) above but prior to the expiration of an Option, the Option shall expire on the earlier of the last day of the Option Period or the date that is one year after the date of death or termination on account of Disability of the Participant, as applicable. In such event, the Option shall remain exercisable by the Participant or his or her beneficiary determined in accordance with Section 10(p), as applicable, until its expiration only to the extent the Option was exercisable by the Participant at the time of such event.

(iii) If the Participant ceases employment or service with a member of the Combined Group and Affiliates due to a termination by a member of the Combined Group or an Affiliate for Cause, the Option shall expire immediately upon such cessation of employment or service.

Unless stated otherwise in an applicable Stock Option Agreement, if the Participant terminates by reason of Retirement prior to the end of the Option Period, the Option shall (i) expire at the end of the Option Period and (ii) continue vesting in accordance with the vesting schedule set forth in the Stock Option Agreement, without regard to any requirement in such vesting schedule that the Participant remain employed with a member of the Combined Group or an Affiliate as a condition to vesting.

(d) **Other Terms and Conditions.** Each Option granted under the Plan shall be evidenced by a Stock Option Agreement. Except as specifically provided otherwise in a Stock Option Agreement, each Option granted under the Plan shall be subject to the following terms and conditions:

(i) Each Option or portion thereof that is exercisable shall be exercisable for the full amount or for any part thereof.

(ii) Each Share purchased through the exercise of an Option shall be paid for in full at the time of the exercise. Each Option shall cease to be exercisable, as to any Share, when the Participant purchases the share or when the Option expires.

(iii) Subject to Section 8(h), Options shall not be transferable by the Participant except by will or the laws of descent and distribution and shall be exercisable during the Participant's lifetime only by him.

(iv) Each Option shall vest and become exercisable by the Participant in accordance with the vesting schedule established by the Committee and set forth in the Stock Option Agreement.

(v) At the time of any exercise of an Option, the Committee may, in its sole discretion, require a Participant to deliver to the Committee a written representation that the Shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such a request by the Committee, delivery of such representation prior to the delivery of any Shares issued upon exercise of an Option shall be a condition precedent to the right of the Participant or such other person to purchase any Shares. In the event certificates for Shares are delivered under the Plan with respect to which such investment representation has been obtained, the Committee may cause a legend or legends to be placed on such certificates to make appropriate reference to such representation and to restrict transfer in the absence of compliance with applicable federal or state securities laws.

(vi) Each Participant awarded an Incentive Stock Option under the Plan shall notify the Company in writing immediately after the date he makes a disqualifying disposition of any Shares acquired pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including any sale) of such Shares before the later of (a) two years after the Date of Grant of the Incentive Stock Option or (b) one year after the date the Participant acquired the Shares by exercising the Incentive Stock Option.

(vii) Except as specifically provided otherwise in a Stock Option Agreement, any Participant who is classified as a “shipboard employee,” and who has not otherwise evidenced a specific intent to permanently terminate his employment with each member of the Combined Group and all Affiliates (as reasonably determined by the Committee) shall not be considered to have terminated employment with each member of the Combined Group and all Affiliates until a six-month period has expired from his signing off of a ship without physically signing on to another ship.

(e) **Incentive Stock Option Grants to 10% Shareholders.** Notwithstanding anything to the contrary in this Section 7, if an Incentive Stock Option is granted to a Participant who owns stock representing more than ten percent of the voting power of all classes of stock of the Company or of a Subsidiary or a parent of the Company, the Option Period shall not exceed five years from the Date of Grant of such Option and the Option Price shall be at least 110 percent of the Fair Market Value (on the Date of Grant) of the Shares subject to the Option.

(f) **\$100,000 Per Year Limitation for Incentive Stock Options.** To the extent the aggregate Fair Market Value (determined as of the Date of Grant) of Shares for which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company) exceeds \$100,000, such excess Incentive Stock Options shall be treated as Nonqualified Stock Options.

8. Restricted Stock Awards and Restricted Stock Units

(a) Awards of Restricted Stock and Restricted Stock Unit Awards.

(i) The Committee shall have the authority (A) to grant Restricted Stock Awards and Restricted Stock Unit Awards to Eligible Persons, (B) to issue or transfer Restricted Stock to Participants, and (C) to establish terms, conditions and restrictions applicable to such Restricted Stock and Restricted Stock Units, including the Restricted Period, which may differ with respect to each Participant, the time or times at which Restricted Stock or Restricted Stock Units shall be granted or become vested and the number of Shares or units to be covered by each grant.

(ii) Each Participant granted a Restricted Stock Award shall execute and deliver to the Company a Restricted Stock agreement with respect to the Restricted Stock setting forth the restrictions applicable to such Restricted Stock. If the Committee determines that the Restricted Stock shall be held in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (A) an escrow agreement satisfactory to the Committee and (B) the appropriate blank stock powers with respect to the Restricted Stock covered by such agreement. If a Participant shall fail to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and stock powers, the Award shall be null and void. Subject to the restrictions set forth in Section 8(b), the Participant generally shall have the rights and privileges of a stockholder as to such Restricted Stock, including the right to vote such Restricted Stock. At the discretion of the Committee, cash dividends and stock dividends with respect to the Restricted Stock may be either currently paid to the Participant or withheld by the Company for the Participant’s account, and interest may be credited on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee. The cash dividends or stock dividends so withheld by the Committee and attributable to any particular share of Restricted Stock (and earnings thereon, if applicable) shall be distributed to the Participant upon the release of restrictions on such share and, if such share is forfeited, the Participant shall have no right to such cash dividends or stock dividends.

(iii) Upon the grant of an Award of Restricted Stock, the Committee shall cause a stock certificate registered in the name of the Participant to be issued and, if it so determines, deposited together with the stock powers with an escrow agent designated by the Committee. If an escrow arrangement is used, the Committee may cause the escrow agent to issue to the Participant a receipt evidencing any stock certificate held by it registered in the name of the Participant.

(iv) The terms and conditions of a grant of Restricted Stock Units shall be reflected in a written Restricted Stock Unit agreement. No Shares shall be issued at the time an Award of Restricted Stock Units is made, and the Company will not be required to set aside a fund for the payment of any such Award. At the discretion of the Committee, each Restricted Stock Unit (representing one Share) awarded to a Participant may be credited with cash and stock dividends paid in respect of one Share ("Dividend Equivalents"). As provided in each Award, Dividend Equivalents may be either currently paid to the Participant or withheld by the Company for the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents withheld at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's account and attributable to any particular Restricted Stock Unit (and earnings thereon, if applicable) shall be distributed to the Participant upon settlement of such Restricted Stock Unit and, if such Restricted Stock Unit is forfeited, the Participant shall have no right to such Dividend Equivalents.

(b) Restrictions.

(i) Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, and to such other terms and conditions as may be set forth in the applicable Restricted Stock Agreement: (A) if an escrow arrangement is used, the Participant shall not be entitled to delivery of the stock certificate; (B) the Shares shall be subject to the restrictions on transferability set forth in the Restricted Stock Agreement; (C) the Shares shall be subject to forfeiture to the extent provided in the applicable Restricted Stock Agreement and, to the extent such Shares are forfeited, the stock certificates shall be returned to the Company, and all rights of the Participant to such Shares and as a shareholder shall terminate without further obligation on the part of the Company.

(ii) Restricted Stock Units awarded to any Participant shall be subject to (1) forfeiture until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, to the extent provided in the applicable Restricted Stock Unit agreement, and to the extent such Restricted Stock Units are forfeited, all rights of the Participant to such Restricted Stock Units shall terminate without further obligation on the part of the Company and (2) such other terms and conditions as may be set forth in the applicable Restricted Stock Unit agreement.

(iii) The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock and Restricted Stock Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of the Restricted Stock Award or Restricted Stock Unit Award, such action is appropriate.

(c) **Restricted Period.** The Restricted Period of Restricted Stock and Restricted Stock Units shall commence on the Date of Grant and shall expire from time to time as to that part of the Restricted Stock and Restricted Stock Units indicated in a schedule established by the Committee in the applicable Restricted Stock agreement or Restricted Stock Unit agreement.

(d) **Delivery of Restricted Stock and Settlement of Restricted Stock Units.** Upon the expiration of the Restricted Period with respect to any Shares covered by an Award of Restricted Stock and the attainment of any other vesting criteria established by the Committee, the restrictions set forth in Section 8(b) and the Restricted Stock Agreement shall be of no further force or effect with respect to shares of Restricted Stock which have not then been forfeited. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his beneficiary, without charge, the stock certificate evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired and any other vesting criteria established by the Committee has been attained (to the nearest full share) and any cash dividends or stock dividends credited to the Participant's account with respect to such Restricted Stock and the interest thereon, if any.

Upon the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, with respect to any Restricted Stock Units covered by a Restricted Stock Unit Award, the Company shall deliver to the Participant, or his beneficiary, without charge, one Share for each Restricted Stock Unit which has not then been forfeited and with respect to which the Restricted Period has expired and any other such vesting criteria are attained ("Vested Unit"); provided, however, that, if so noted in the applicable Restricted Stock Unit agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Shares in lieu of delivering only Shares for Vested Units. If cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the date on which the Restricted Period lapsed with respect to such Vested Unit.

(e) **Stock Restrictions.** Each certificate representing Restricted Stock awarded under the Plan shall bear a legend until the lapse of all restrictions with respect to the Shares subject to the Award substantially in the form set forth below, as well as containing any other information the Company deems appropriate:

Transfer of this certificate and the shares represented hereby is restricted pursuant to the terms of the Carnival Corporation 2002 Stock Plan, as amended from time to time, and a Restricted Stock agreement, dated as of _____, between Carnival Corporation and _____. Copies of such Plan and agreement are on file at the offices of Carnival Corporation.

Stop transfer orders shall be entered with the Company's transfer agent and registrar against the transfer of legended securities.

(f) **Applicability of Section 162(m).** With respect to Awards of Restricted Stock and Restricted Stock Units intended to qualify as "performance-based compensation" under Section 162(m) of the Code, this Section 8 (including the substance of the Performance Goals, the timing of establishment of the Performance Goals, the adjustment of the Performance Goals and determination of the Award) shall be implemented by the Committee in a manner designed to preserve such Awards as such "performance-based compensation."

9. Other Stock Based Awards

The Committee shall have the right to grant Awards determined in Shares, or valued with reference to Shares, having such terms and conditions as the Committee may determine, including the grants of Shares based upon the attainment of certain conditions, including, without limitation, the payment by the Participant of the Fair Market Value of such Shares on the Date of Grant, the grant of securities convertible into Shares and the grant of stock appreciation rights.

10. General

(a) **Additional Provisions of an Award.** Awards granted to a Participant under the Plan also may be subject to such other provisions (whether or not applicable to Awards granted to any other Participant) as the Committee determines appropriate including, without limitation, provisions to assist the Participant in financing the purchase of Shares upon the exercise of Options (provided that the Committee determines that providing such financing does not violate the Sarbanes-Oxley Act of 2002), provisions for the forfeiture of or restrictions on resale or other disposition of Shares acquired under any Award, provisions giving the Company the right to repurchase Shares acquired under any Award in the event the Participant elects to dispose of such Shares, provisions allowing the Participant to elect to defer the receipt of Shares upon the exercise of Awards for a specified period or until a specified event, and provisions to comply with Federal and state securities laws and Federal and state tax withholding requirements. Any such provisions shall be reflected in the applicable Award Agreement.

(b) **Privileges of Stock Ownership.** Except as otherwise specifically provided in the Plan, no person shall be entitled to the privileges of ownership in respect of Shares which are subject to Awards hereunder until such Shares have been issued to that person.

(c) **Government and Other Regulations.** The obligation of the Company to issue Shares upon the exercise of Options or otherwise settle Awards in Shares shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Award to the contrary, the Company shall be under no obligation to offer to sell or to sell and shall be prohibited from offering to sell or selling any Shares pursuant to an Award unless such Shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless the Company has received an opinion of counsel, satisfactory to the Company, that such Shares may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. The Company shall be under no obligation to register for sale under the Securities Act any of the Shares to be offered or sold under the Plan. If the Shares offered for sale or sold under the Plan are offered or sold pursuant to an exemption from registration under the Securities Act, the Company may restrict the transfer of such Shares and may legend the stock certificates representing such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

(d) **Tax Withholding.**

(i) A Participant may be required to pay to a member of the Combined Group or any Affiliate, and each member of the Combined Group or any Affiliate shall have the right and is hereby authorized to withhold from any Shares or other property deliverable under any Award or from any compensation or other amounts owing to a Participant the amount (in cash, Shares or other property) of any required tax withholding and payroll taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan 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.

(ii) Without limiting the generality of clause (i) above, the Committee may, in its sole discretion, permit a Participant to satisfy, in whole or in part, the foregoing withholding liability (but no more than the minimum required withholding liability if using method (B) or (C) of this subsection) by (A) payment in cash; (B) delivery of Shares owned by the Participant (which Shares must be Mature Shares) with a Fair Market Value equal to such withholding liability or (C) having the Company withhold from the number of Shares otherwise issuable pursuant to the exercise of the Award a number of Shares with a Fair Market Value equal to such withholding liability.

(e) **Claim to Awards and Employment Rights.** No employee of a member of the Combined Group, an Affiliate, or other person, shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of a member of the Combined Group or an Affiliate.

(f) No Liability of Committee Members. No member of the Committee shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Committee and each other employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or willful bad faith; provided, however, that approval of the Board shall be required for the payment of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

(g) Governing Law. The Plan shall be governed by and construed in accordance with the internal laws of the State of Florida without regard to the 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.

(h) Funding. No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

(i) Nontransferability.

(i) Each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against each member of the Combined Group or an Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(ii) Notwithstanding the foregoing, the Committee may, in its sole discretion, permit Awards other than Incentive Stock Options to be transferred by a Participant, without consideration, subject to such rules as the Committee may adopt consistent with any applicable Award Agreement to preserve the purposes of the Plan, to:

- (A) any person who is a “family member” of the Participant, as such term is used in the instructions to Form S-8 (collectively, the “Immediate Family Members”);
- (B) a trust solely for the benefit of the Participant and his or her Immediate Family Members;
- (C) a partnership or limited liability company whose only partners or shareholders are the Participant and his Immediate Family Members;
or
- (D) any other transferee as may be approved either (a) by the Board or the Committee in its sole discretion, or (b) as provided in the applicable Award Agreement;

(each transferee described in clauses (A), (B), (C) and (D) above is hereinafter referred to as a “Permitted Transferee”); provided that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

(iii) The terms of any Award transferred in accordance with the immediately preceding sentence shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award Agreement, to a Participant shall be deemed to refer to the Permitted Transferee, except that (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) Permitted Transferees shall not be entitled to exercise a transferred Nonqualified Stock Option unless there shall be in effect a registration statement on an appropriate form covering the Shares to be acquired pursuant to the exercise of such Nonqualified Stock Option if the Committee determines, consistent with any applicable Stock Option Agreement, that such a registration statement is necessary or appropriate, (C) the Committee or any member of the Combined Group shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise, and (D) the consequences of a Participant no longer being employed by, or in the services of, the a member of the Combined Group or an Affiliate under the terms of the Plan and the applicable Award Agreement shall continue to be applied with respect to the Participant, including, without limitation, that a Nonqualified Stock Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Stock Option Agreement.

(j) **Reliance on Reports.** Each member of the Committee and each member of the Board shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith reliance upon any report made by the independent public accountant of the Combined Group and its Affiliates and upon any other information furnished in connection with the Plan by any person or persons other than himself.

(k) **Relationship to Other Benefits.** No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of a member of the Combined Group or any Affiliate except as otherwise specifically provided in such other plan.

(l) **Expenses.** The expenses of administering the Plan shall be borne by the Company and Affiliates.

(m) **Gender and Number.** Where the context admits, masculine pronouns and other words of masculine gender shall refer to both men and women, words in the singular shall include the plural and words in the plural shall include the singular.

(n) **Titles and Headings.** The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

(o) **Termination of Employment.** For all purposes herein, a person who transfers from employment or service with a member of the Combined Group to employment or service with an Affiliate or vice versa shall not be deemed to have terminated employment or service with a member of the Combined Group or such Affiliate.

(p) **Severability.** If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or Award, such provision shall be stricken as to such jurisdiction, person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(q) **Beneficiary Designation.** Each Participant may designate one or more beneficiaries by delivering a signed written designation thereof to the Committee. Upon the death of a Participant, his beneficiaries shall be entitled to the Awards granted to such Participant under the terms of this Plan. A Participant may change his beneficiary designation at any time by delivering a new designation in accordance with the first sentence of this paragraph. Any designation shall become effective only upon its receipt by the Committee. In the absence of an effective beneficiary designation in accordance with this Section 10(p), a Participant's beneficiary shall be his estate. After the receipt of Options in accordance with this paragraph, beneficiaries will only be able to exercise such Options in accordance with Section 7(c)(ii) of this Plan.

11. Changes in Capital Structure

Awards granted under the Plan and any Award Agreements, the maximum number of Shares subject to all Awards stated in Section 5(a) and the maximum number of Shares with respect to which any one person may be granted Awards during any period stated in Section 5(d) shall be subject to adjustment or substitution, as determined by the Committee in its sole discretion, as to the number, price or kind of a share of stock or other consideration subject to such Awards or as otherwise determined by the Committee to be equitable (i) in the event of changes in the outstanding Shares or in the capital structure of the Company by reason of stock or extraordinary cash dividends, stock splits, reverse stock splits, recapitalization, reorganizations, mergers, consolidations, combinations, exchanges, an unpairing of the shares of Common Stock from the Trust Shares, or other relevant changes in capitalization occurring after the Date of Grant of any such Awards or (ii) in the event of any change in applicable laws or any change in circumstances which results in or would result in any substantial dilution or enlargement of the rights granted to, or available for, Participants, or which otherwise warrants equitable adjustment because it interferes with the intended operation of the Plan. Any adjustment in Incentive Stock Options under this Section 11 shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 11 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. Further, with respect to Awards intended to qualify as "performance-based compensation" under Section 162(m) of the Code, such adjustments or substitutions shall be made only to the extent that the Committee determines that such adjustments or substitutions may be made without causing the Company to be denied a tax deduction on account of Section 162(m) of the Code. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

Notwithstanding the above, in the event of any of the following:

A. The Company is merged or consolidated with another corporation or entity and, in connection therewith, consideration is received by shareholders of the Company in a form other than stock or other equity interests of the surviving entity;

B. All or substantially all of the assets of the Company are acquired by another person;

C. The reorganization or liquidation of the Company; or

D. The Company shall enter into a written agreement to undergo an event described in clauses A, B or C above,

then the Committee may, in its discretion and upon at least 10 days advance notice to the affected persons, cancel any outstanding Awards and cause the holders thereof to be paid, in cash or stock, or any combination thereof, the value of such Awards based upon the price per share of the shares of stock or other consideration received or to be received by other shareholders of the Company in the event. The terms of this Section 11 may be varied by the Committee in any particular Award Agreement.

12. Effect of Change of Control

Except to the extent a particular Award Agreement otherwise provides:

(a) In the event of a Change of Control, notwithstanding any provision of the Plan to the contrary, all Options shall become immediately exercisable with respect to 100 percent of the Shares subject to such Option, and the Restricted Period shall expire immediately with respect to 100 percent of the shares of Restricted Stock and Restricted Stock Units (including a waiver of any applicable Performance Goals) and, to the extent practicable, such acceleration of exercisability and expiration of the Restricted Period (as applicable) shall occur in a manner and at a time which allows affected Participants the ability to participate in the Change in Control transaction with respect to the Shares subject to their Awards.

(b) In addition, in the event of a Change of Control, the Committee may in its discretion and upon at least 10 days' advance notice to the affected persons, cancel any outstanding Award and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per Share received or to be received by other shareholders of the Company in the event. Notwithstanding the above, the Committee shall exercise such discretion over any Award subject to Code Section 409A at the time such Award is granted.

(c) The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company agrees that it will make appropriate provisions for the preservation of Participants' rights under the Plan in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

13. Nonexclusivity of the Plan

Neither the adoption of this Plan by the Board nor the submission of this Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

14. Amendments and Termination

(a) **Amendment and Termination of the Plan.** The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan (including as necessary to prevent the Company from being denied a tax deduction on account of Section 162(m) of the Code); and provided further that any such amendment, alteration, suspension, discontinuance or termination that would impair the rights of any Participant or any holder or beneficiary of any Option theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(b) **Amendment of Award Agreements.** The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted or the associated Award Agreement, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of any Participant, holder or beneficiary in respect of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant; and provided further that, without stockholder approval, the Committee may not take any action that results in the “repricing” of any Option granted under the Plan. For purposes of this Section 13(b) a “repricing” means any of the following (or any other action that has the same effect of any of the following): (i) amending or modifying the terms of an Option after the Date of Grant in a manner that reduces the Option Price of such Option; (ii) any other action that would either (A) be reportable on the Company’s proxy statement as Options which have been “repriced” (as such term is used in Item 402 of Regulation S-K promulgated under the Exchange Act) or (B) results in an Option being considered repriced under generally accepted accounting principles; or (iii) canceling an Option at time when its Option Price is equal to or less than the Fair Market Value of the Shares subject to the Option, in exchange for another Option, Restricted Stock Award or any other equity-based award. A cancellation and exchange described in clause (iii) of the preceding sentence will be considered a “repricing” regardless of whether (x) the Option, Restricted Stock Award or other equity-based award is delivered simultaneously with the cancellation of the Option, (y) it is reportable as a repricing in the Company’s proxy statement or under generally accepted accounting principles, and (z) the cancellation of the Option was voluntary on the part of the Participant.

* * *

As adopted by the Board of Directors of Carnival Corporation as of January 14, 2002 and amended as of September 25, 2002 and April 17, 2003, April 21, 2004 and further amended and restated as of December 16, 2008.

CARNIVAL CORPORATION
EXECUTIVE RESTRICTED STOCK AGREEMENT

THIS AGREEMENT (the “**Agreement**”) is made effective as of _____, (hereinafter the “**Grant Date**”) between Carnival Corporation, a corporation organized under the laws of the Republic of Panama (the “**Company**”), and _____ (the “**Executive**”), pursuant to the amended and restated Carnival Corporation 2002 Stock Plan (the “**Plan**”).

RECITALS:

WHEREAS, the Company has adopted the amended and restated Carnival Corporation 2002 Stock Plan (the “**Plan**”), pursuant to which awards of restricted Shares may be granted; and

WHEREAS, the Company desires to grant Executive an award of restricted Shares pursuant to the terms of this Agreement and the Plan.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Grant of Restricted Stock.

Subject to the terms and conditions set forth in the Plan and in this Agreement, the Company hereby grants to Executive a Restricted Stock Award consisting of ___ Shares (the “**Restricted Stock**”). The Restricted Stock is subject to the restrictions described herein, including forfeiture under the circumstances described in Section 5 hereof (the “**Restrictions**”). The Restrictions shall lapse and the Restricted Stock shall become nonforfeitable in accordance with Section 3 and Section 5 hereof.

2. 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 Plan and any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. 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 Executive and his legal representative in respect of any questions arising under the Plan or this Agreement.

3. Lapse of Restriction.

Except as otherwise provided in Section 5 hereof, and contingent upon Executive’s continued employment with a member of the Combined Group or an Affiliate, the Restrictions with respect to the Restricted Stock shall lapse on the third anniversary of the Grant Date. Notwithstanding the foregoing, the Committee shall have the authority to remove the Restrictions on the Restricted Stock whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the Grant Date, such action is appropriate.

Any shares of Restricted Stock for which the Restrictions have lapsed or been removed shall be referred to hereunder as “**released Restricted Stock.**”

4. Certificates.

Certificates evidencing the Restricted Stock shall be issued by the Company and shall be registered in Executive's name on the stock transfer books of the Company promptly after the date hereof. Subject to Section 6 hereof, the certificates evidencing the Restricted Stock shall remain in the physical custody of Executive or Executive's legal representative at all times prior to the date such Restricted Stock becomes released Restricted Stock.

5. Effect of Termination of Employment.

(a) Upon the termination of Executive's employment with the Combined Group or an Affiliate, the Restrictions on the unreleased Restricted Stock shall be released according to the following:

(i) In the event the Executive terminates by reason of death or Disability, the Restrictions on the Restricted Stock shall lapse on the date of Executive's death or Disability and the Restricted Stock shall become Released Restricted Stock.

(ii) In the event a member of the Combined Group or an Affiliate terminates the Executive's employment with such company for a reason other than for cause, as defined in Section 5(c)(i) below, the Restrictions on the Restricted Stock shall lapse in accordance with Section 3 of this Restricted Stock Agreement, without regard to the requirement that the Executive remain employed with a member of the Combined Group or an Affiliate, unless and until the Executive engages in competition in violation of Section 10 hereof or violates the nondisclosure provisions set forth in Section 11 hereof.

(iii) In the event the Executive voluntarily terminates employment as a direct result of the Executive being diagnosed with a terminal medical condition, the Restrictions on the Restricted Stock shall lapse on the earlier of Executive's death or the lapse date set forth in Section 3 of this Restricted Stock Agreement, unless and until the Executive engages in competition in violation of Section 10 hereof or violates the nondisclosure provisions set forth in Section 11 hereof.

(b) In the event the Executive attains Retirement Age while in the employ of the Combined Group or an Affiliate, the restrictions on 50% of the Restricted Stock shall lapse on the date of the Executive attaining Retirement Age and such Restricted Stock shall become Released Restricted Stock. The restrictions on the remaining 50% of Restricted Stock shall lapse in accordance with Section 3 of this Restricted Stock Agreement.

(c) Notwithstanding anything herein to the contrary, but subject to Section 5(a) above, no release of Restricted Stock shall be made, and all unreleased Restricted Stock issued hereunder and all rights under this Agreement shall be forfeited, if any of the following events shall occur:

(i) The Executive's employment with the Combined Group or an Affiliate is terminated for cause. For purposes of this Agreement, "for cause" shall be defined as any action or inaction by the Executive, which constitutes fraud, embezzlement, misappropriation, dishonesty, breach of trust, a felony or moral turpitude, as determined by its Board of Directors;

(ii) The Executive voluntarily terminates employment with the Combined Group or an Affiliate prior to Retirement unless such voluntary termination is directly related to death, Disability or the Executive being diagnosed with a terminal medical condition;

(iii) The Executive shall engage in competition, as more particularly described in Section 10 hereof, either (A) during the term of his employment with the Combined Group or an Affiliate; (B) following the Executive's voluntary termination of his employment with the Combined Group or an Affiliate; or (C) following the employing company's termination of the Executive's employment for any reason; or

(iv) The Executive violates the nondisclosure provisions set forth in Section 11 hereof.

6. Rights as a Shareholder.

Executive shall be the record owner of the Restricted Stock unless and until such shares are forfeited pursuant to Section 3 or 5 hereof, and as record owner shall be entitled to all rights of a common shareholder of the Company; provided that the Restricted Stock shall be subject to the limitations on transfer and encumbrance set forth in this Agreement. As soon as practicable following the lapse or removal of Restrictions on any Restricted Stock, Executive shall return the certificate representing such released Restricted Stock to the Company and the Company shall deliver to Executive or Executive's legal representative a replacement certificate for such released Restricted Stock with the restrictive legend removed. In the event the Restricted Stock is forfeited pursuant to Section 5 hereof, Executive shall immediately return the certificate evidencing such forfeited unreleased Restricted Stock to the Company and Executive's name shall be removed from the stock transfer books of the Company.

7. Restrictive Legend.

All certificates representing Restricted Stock shall have affixed thereto a legend in substantially the following form, in addition to any other legends that may be required under federal or state securities laws:

TRANSFER OF THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY IS RESTRICTED PURSUANT TO THE TERMS OF THE CARNIVAL CORPORATION 2002 STOCK PLAN, AS AMENDED FROM TIME TO TIME, AND A RESTRICTED STOCK AGREEMENT, DATED AS OF _____, BETWEEN CARNIVAL CORPORATION AND _____, COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE AT THE OFFICES OF CARNIVAL CORPORATION.

8. Transferability.

The Restricted Stock may not, at any time prior to becoming released Restricted Stock, be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Executive, 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. Notwithstanding the foregoing, unreleased Restricted Stock may be transferred by the Executive, without consideration, to a Permitted Transferee in accordance with Section 9(h) of the Plan.

9. Withholding; Section 83(b) Election.

Executive agrees to make appropriate arrangements with the Company for satisfaction of any applicable federal, state or local income tax withholding requirements or like requirements, including the payment to the Company upon the lapse or removal of Restrictions on any Restricted Stock (or such later or earlier date as may be applicable under Section 83 of the Code), or other settlement in respect of, the Restricted Stock of all such taxes and requirements and the Company shall be authorized to take such action as it deems necessary (including, without limitation, requiring the Executive to return the released Restricted Stock to the

Company and/or withholding amounts from any compensation or other amount owing from the Company or its Affiliates to Executive) to satisfy all obligations for the payment of such taxes. Executive may make an election pursuant to Section 83(b) of the Code in respect of the Restricted Stock and, if he does so, he shall timely notify the Company of such election and send the Company a copy thereof. Executive shall be solely responsible for properly and timely completing and filing any such election.

10. Competition.

The services of the Executive are unique, extraordinary and essential to the business of the Combined Group or its Affiliate, particularly in view of the Executive's access to the Combined Group or its Affiliates' confidential information and trade secrets. Accordingly, in consideration of the Restricted Stock awarded hereunder, the Executive agrees that he will not, without the prior written approval of the Board of Directors, at anytime during the term of his employment with the Combined Group or its Affiliate and (except as provided below) for the then remaining duration of the restricted period on the Restricted Stock, if any, following the date on which the Executive's employment with the Combined Group or its Affiliate terminates, directly or indirectly, within the cruise industry wherever located, engage in any business activity directly or indirectly competitive with the business of the Combined Group or its Affiliate, or serve as an officer, director, owner, consultant, or employee of any organization then in competition with the Combined Group or its Affiliate. In addition, the Executive agrees that during such restricted period following his employment with the Combined Group or its Affiliate, he will not solicit, either directly or indirectly, any employee of the Combined Group or its Affiliate, its subsidiaries or division, who was such at the time of the Executive's separation from employment hereunder. In the event that the provisions of this Section 10 should ever be adjudicated to exceed the time, geographic or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic or other limitations permitted by applicable law.

11. Nondisclosure.

The Executive expressly agrees and understands that Combined Group or its Affiliates own and/or control information and material which is not generally available to third parties and which Combined Group or its Affiliates consider confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it 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 Combined Group or its Affiliates, 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 Combined Group or its Affiliates and its officers and agents other than in the ordinary course of business. The Executive hereby acknowledges that disclosure of Combined Group or its Affiliates' Confidential Information to and/or use by anyone other than in Combined Group or its Affiliates' ordinary course of business would result in irreparable and continuing damage to Combined Group or its Affiliates. Accordingly, the Executive agrees to hold the Confidential Information in the strictest secrecy, and covenants that, during the term of his employment with Combined Group or its Affiliates (or any member of the Combined Group or its Affiliates) or at any time thereafter, he will not, without the prior written consent of the Board 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 Executive's duties for Combined Group or its Affiliates in the ordinary course of business. The Executive agrees to keep all such records in connection with the Executive's employment as Combined Group or its Affiliates may direct, and all such records shall be the sole and absolute property of Combined Group or its Affiliates. The Executive further agrees that, within five (5) days of Combined Group or its Affiliates' request, he shall surrender to Combined Group or its Affiliates 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 Combined Group or its Affiliates' business or any Confidential Information.

12. Miscellaneous.

(a) Notices. Any and all notices, designations, consents, offers, acceptances and any other communications provided for herein shall be given in writing and shall be delivered either personally or by registered or certified mail, postage prepaid, which shall be addressed as follows:

If to Executive: at the address specified in the Company's records.

If to the Company to: Carnival Corporation
3655 N.W. 87th Avenue
Miami, Florida 33178-2428
Attn.: General Counsel

(b) No Right to Continued Employment. Nothing in the Plan or in this Agreement shall confer upon Executive any right to continue in the employ of the Company or shall interfere with or restrict in any way the right of the Company, which are hereby expressly reserved, to remove, terminate or discharge Executive at any time for any reason whatsoever, with or without, Cause.

(c) Bound by Plan. By signing this Agreement, Executive acknowledges that he has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(d) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and on Executive and the beneficiaries, executors, administrators, heirs and successors of Executive.

(e) Invalid Provision. The invalidity or unenforceability of any particular provision hereof shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

(f) Modifications. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

(g) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and therein and supersede all prior communications, representations and negotiations in respect thereto.

(h) Governing Law. This Agreement and the rights of Executive hereunder shall be construed and determined in accordance with the laws of the State of Florida.

(i) 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.

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

CARNIVAL CORPORATION

By: _____

ACCEPTED AND AGREED THIS ___ DAY OF _____.

Executive

CARNIVAL CORPORATION
EXECUTIVE RESTRICTED STOCK AGREEMENT

THIS AGREEMENT (the “**Agreement**”), is made effective as of _____ (hereinafter the “**Grant Date**”) between Carnival Corporation, a corporation organized under the laws of the Republic of Panama (the “**Company**”), and _____ (the “**Executive**”), pursuant to the amended and restated Carnival Corporation 2002 Stock Plan (the “**Plan**”) and that certain Executive Long-Term Compensation Agreement effective as of January 15, 2008 between the Company and Executive (the “**LTCA**”).

RECITALS:

WHEREAS, the Company has adopted the amended and restated Carnival Corporation 2002 Stock Plan pursuant to which awards of restricted Shares may be granted; and

WHEREAS, the Company desires to grant Executive an award of restricted Shares pursuant to the terms of this Agreement, the LTCA and the Plan.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Grant of Restricted Stock.

Subject to the terms and conditions set forth in the Plan, the LTCA and in this Agreement, the Company hereby grants to Executive a Restricted Stock Award consisting of __ Shares (the “**Restricted Stock**”). The Restricted Stock is subject to the restrictions described herein, including forfeiture under the circumstances described in Section 5 hereof (the “**Restrictions**”). The Restrictions shall lapse and the Restricted Stock shall become nonforfeitable in accordance with Section 3 and Section 5 hereof.

2. 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 LTCA and the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The terms of the LTCA shall control in the event of a conflict with the provisions of this Agreement or the Plan. 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 Executive and his legal representative in respect of any questions arising under the Plan or this Agreement.

3. Lapse of Restriction.

Except as otherwise provided in Section 5 hereof, and contingent upon Executive’s continued employment with the Company, the Restrictions with respect to the Restricted Stock shall lapse on the third anniversary of the Grant Date. If Executive attains Retirement Age while in the employ of the Company, the Restricted Period shall expire as to 50% of the RSUs. The restrictions on the remaining 50% of RSUs shall expire in accordance with this paragraph 3. Notwithstanding the foregoing, the Committee shall have the authority to remove the Restrictions on the Restricted Stock whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the Grant Date, such action is appropriate.

Any shares of Restricted Stock for which the Restrictions have lapsed or been removed shall be referred to hereunder as “**released Restricted Stock.**”

4. Certificates.

Certificates evidencing the Restricted Stock shall be issued by the Company and shall be registered in Executive’s name on the stock transfer books of the Company promptly after the date hereof. Subject to Section 6 hereof, the certificates evidencing the Restricted Stock shall remain in the physical custody of Executive or Executive’s legal representative at all times prior to the date such Restricted Stock becomes released Restricted Stock.

5. Effect of Termination of Employment.

Notwithstanding anything herein to the contrary, all unreleased Restricted Stock issued hereunder shall be forfeited upon the occurrence of any event set forth in Section 3 of Executive's LTCA. In addition, in the event the Executive terminates by reason of death or Disability, the Restrictions on the Restricted Stock shall lapse on the date of Executive's death or Disability and the Restricted Stock shall become Released Restricted Stock.

6. Rights as a Shareholder.

Executive shall be the record owner of the Restricted Stock unless and until such shares are forfeited pursuant to Section 3 or 5 hereof, and as record owner shall be entitled to all rights of a common shareholder of the Company; provided that the Restricted Stock shall be subject to the limitations on transfer and encumbrance set forth in this Agreement. As soon as practicable following the lapse or removal of Restrictions on any Restricted Stock, Executive shall return the certificate representing such released Restricted Stock to the company and the Company shall deliver to Executive or Executive's legal representative a replacement certificate for such released Restricted Stock with the restrictive legend removed. In the event the Restricted Stock is forfeited pursuant to Section 5 hereof, Executive shall immediately return the certificate evidencing such forfeited unreleased Restricted Stock to the Company and Executive's name shall be removed from the stock transfer books of the Company.

7. Restrictive Legend.

All certificates representing Restricted Stock shall have affixed thereto a legend in substantially the following form, in addition to any other legends that may be required under federal or state securities laws:

TRANSFER OF THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY IS RESTRICTED PURSUANT TO THE TERMS OF THE CARNIVAL CORPORATION 2002 STOCK PLAN, AS AMENDED FROM TIME TO TIME, AND A RESTRICTED STOCK AGREEMENT, DATED AS OF _____, BETWEEN CARNIVAL CORPORATION AND _____. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE AT THE OFFICES OF CARNIVAL CORPORATION.

8. Transferability.

The Restricted Stock may not, at any time prior to becoming released Restricted Stock, be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Executive, 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. Notwithstanding the foregoing, unreleased Restricted Stock may be transferred by the Executive, without consideration, to a Permitted Transferee in accordance with Section 9(h) of the Plan.

9. Withholding; Section 83(b) Election.

Executive agrees to make appropriate arrangements with the Company for satisfaction of any applicable federal, state or local income tax withholding requirements or like requirements, including the payment to the Company upon the lapse or removal of Restrictions on any Restricted Stock (or such later or earlier date as may be applicable under Section 83 of the Code), or other settlement in respect of, the Restricted Stock of all such taxes and requirements and the Company shall be authorized to take such action as it deems necessary (including, without limitation, requiring the Executive to return the released Restricted Stock to the Company and/or withholding amounts from any compensation or other amount owing from the Company or its Affiliates to Executive) to satisfy all obligations for the payment of such taxes. Executive may make an election pursuant to Section 83(b) of the Code in respect of the Restricted Stock and, if he does so, he shall timely notify the Company of such election and send the Company a copy thereof. Executive shall be solely responsible for properly and timely completing and filing any such election.

10. Miscellaneous.

(a) Notices. Any and all notices, designations, consents, offers, acceptances and any other communications provided for herein shall be given in writing and shall be delivered either personally or by registered or certified mail, postage prepaid, which shall be addressed as follows:

If to Executive: To the address specified in the Company's records.

If to the Company to: Carnival Corporation
3655 N.W. 87th Avenue
Miami, Florida 33178-2428
Attn: General Counsel

(b) No Right to Continued Employment. Nothing in the Plan or in this Agreement shall confer upon Executive any right to continue in the employ of the Company or shall interfere with or restrict in any way the right of the Company, which are hereby expressly reserved, to remove, terminate or discharge Executive at any time for any reason whatsoever, with or without, Cause.

(c) Bound by Plan. By signing this Agreement, Executive acknowledges that he has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(d) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and on Executive and the beneficiaries, executors, administrators, heirs and successors of Executive.

(e) Invalid Provision. The invalidity or unenforceability of any particular provision hereof shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

(f) Modifications. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

(g) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and therein and supersede all prior communications, representations and negotiations in respect thereto.

(h) Governing Law. This Agreement and the rights of Executive hereunder shall be construed and determined in accordance with the laws of the State of Florida.

(i) 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.

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

CARNIVAL CORPORATION

By: _____

ACCEPTED AND AGREED THIS __ DAY OF ____ 20__.

Executive

**PRINCESS CRUISES
CHIEF EXECUTIVE OFFICER
SUPPLEMENTAL RETIREMENT PLAN**

**2008 RESTATEMENT
PREAMBLE**

- A. Effective as of November 1, 1998 (the "Effective Date"), Princess Cruises, Inc. (the "Former Sponsor") established the "Princess Cruises, Inc. President's Retirement Plan" (the "Plan"), for the Participant (as defined in Section 2.21 below), who was then the President of Former Sponsor. The name of the Plan was changed to the "Princess Cruises, Inc. Special Senior Executive Supplemental Retirement Plan," and was changed again to the "Princess Cruises Special Senior Executive Supplemental Retirement Plan." Effective as of April 5, 2006, the name of the Plan changed to the "Princess Cruises Chief Executive Officer Supplemental Retirement Plan."
- B. In connection with the sale of substantially all of Former Sponsor's assets to Princess Cruise Lines, Ltd., a corporation organized under the laws of Bermuda ("PCLL"), PCLL adopted and assumed sponsorship of the Plan and all of Former Sponsor's rights, liabilities and obligations under and with respect to the Plan (except as otherwise set forth in the Asset Purchase Agreement).
- C. Before October 16, 2000, the Participant was a member in the P&O Pension Scheme. At that date a new scheme was established by P&O Princess Cruises plc and the Participant's benefit under the P&O Pension Scheme was transferred to the new scheme. Effective as of October 16, 2000 the Participant became a member in the new scheme, which is called the "P&O Princess Cruises Pension Scheme." The scheme, as modified by certain agreements dated January 16, 2001 and October 17, 2001, is herein referred to as the "UK Pension Scheme".
- D. With effect on and from April 5, 2006 (the "Opt Out Date"), the Participant elected to opt out of the UK Pension Scheme. As a member of the UK Pension Scheme whose active membership has ceased, the Participant is entitled to a deferred pension. However, future accruals under the scheme ceased as of the Opt Out Date.
- E. Pursuant to Section 6.3 of the Participant's Employment Agreement (as defined in Section 2.15, generally effective as of the Opt Out Date, the Plan was amended and completely restated (the "2006 Restatement") . The primary purpose of the 2006 Restatement was to maintain the benefit structure provided to the Participant before the Opt Out Date. Accordingly, under the the Plan, as restated, the Participant is entitled to receive substantially the same benefits he was entitled to under this Plan and the UK Pension Scheme, both as in effect immediately before the Opt Out Date.
- F. The Plan is being amended and fully restated again to streamline the administration of the Plan, to conform the Plan to changes being made concurrently to the Trust from which Plan benefits are paid, and to comply with the final regulations under Code Section 409A. Such restatement shall be referred to herein as the "2008 Restatement."

ARTICLE I. INTRODUCTION

- 1.1 Purpose. The purpose of the Plan is to enable the Sponsor to attract, retain and motivate the Participant by providing to such executive certain retirement income as more fully set forth herein.
- 1.2 Effective Date and Term. The effective date of the Plan is November 1, 1998 (the "Effective Date"), provided, however, that the effective date of this 2008 Restatement is the Restatement Effective Date. The Plan shall continue in effect until terminated by the Committee pursuant to the provisions of Section 7.5.
- 1.3 Participation. Participation in this Plan is open only to Peter G. Ratcliffe. The participation in this Plan and the payment of any benefits under this Plan shall be governed by the terms of this Plan. Participant shall execute a copy of this Plan evidencing his acceptance of the terms and conditions hereof and his participation in the Plan.
- 1.4 Applicability of ERISA. This Plan is intended to be a "top-hat" plan – that is, an unfunded plan maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees within the meaning of ERISA.

ARTICLE II. DEFINITIONS

- 2.1 Reserved.
- 2.2 Active Participant. "Active Participant" means the Participant so long as he has not Separated from Service and the Committee has not elected to terminate his Active Participation pursuant to Section 4.6. "Active Participation" means participation as an Active Participant. Active Participation will cease on the earlier of the Participant's Separation from Service or the date the Committee terminates the Participant's Active Participation under Section 4.6.
- 2.3 Adjustment Date. "Adjustment Date" means the date upon which Pension increases shall be effective under Section 3.3, which shall be April 1.
- 2.4 Affiliated Company. "Affiliated Company" means any entity that constitutes the Employer other than the Sponsor.
- 2.5 Alternate Payee. "Alternate Payee" means the Participant's spouse or former spouse.
- 2.6 Average Annual Compensation. "Average Annual Compensation" means, with respect to the Participant and as of any date of reference (the "Determination Date"), the quotient obtained by dividing (a) the highest aggregate amount of Pensionable Earnings earned by such Participant during any consecutive 60-month period prior to (or ending on) such Determination Date, by (b) a factor of five.

- 2.7 **Beneficiary.** “Beneficiary” means the Surviving Spouse, who shall be entitled to receive the lump sum death benefit pursuant to Section 5.2(b), but if there is no Surviving Spouse at the Participant’s death or the Surviving Spouse dies within the five-year period following the Participant’s Separation from Service, such person or persons or entity or entities designated or deemed designated pursuant to Section 3.9 to receive the lump sum death benefit under Section 5.2.
- 2.8 **Benefit Entitlement Statement.** “Benefit Entitlement Statement” means the statement of a Participant’s benefit entitlement referenced in Section 3.10 of the Plan.
- 2.9 **Change in Control.**
- (a) “Change in Control” means the following and shall be deemed to occur if any of the following events occurs:
- (i) Any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), other than an entity created by Carnival as part of a reorganization of the structure of the Carnival Corporation and plc Group (“Carnival Created Holding Company”) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Carnival representing more than 50% of the combined voting power of Carnival’s then outstanding voting securities.
 - (ii) Any “person,” as such term is used in Sections 13(d) and 14(d) of the Exchange Act, other than Carnival or a direct or indirect subsidiary of Carnival (“Carnival Subsidiary”) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Sponsor representing more than 50% of the combined voting power of Sponsor’s then outstanding voting securities.
 - (iii) The stockholders of Carnival approve a merger or consolidation of Carnival with any other corporation, other than the following:
 - (A) A merger or consolidation which would result in the voting securities of Carnival outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities or another entity) 50% or more of the combined voting power of the voting securities of Carnival or such other entity outstanding immediately after such merger or consolidation; or
 - (B) A merger or consolidation effected to implement a recapitalization or reorganization of Carnival (or similar transaction) in which no person acquires more than 50% of the combined voting power of Carnival’s then outstanding voting securities; or

- (C) A merger or consolidation with a Carnival Created Holding Company.
- (iv) The stockholders of Sponsor approve a merger or consolidation of Sponsor with any other corporation, other than the following:
 - (A) A merger or consolidation which would result in the voting securities of Sponsor outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities or another entity) 50% or more of the combined voting power of the voting securities of Sponsor or such other entity outstanding immediately after such merger or consolidation; or
 - (B) A merger or consolidation effected to implement a recapitalization or reorganization of Sponsor (or similar transaction) in which no person acquires more than 50% of the combined voting power of Sponsor's then outstanding voting securities; or
 - (C) A merger or consolidation with a Carnival Subsidiary or Carnival Created Holding Company.
- (v) The stockholders of Carnival approve (i) a plan of complete liquidation of Carnival or (ii) an agreement for the sale or other disposition by the Carnival of all or substantially all of the Carnival's assets to an entity other than one created by Carnival as part of a reorganization of the structure of the Carnival Corporation and plc Group.
- (vi) The stockholders of Sponsor approve a plan of complete liquidation of Sponsor or an agreement for the sale or other disposition by Sponsor of all or substantially all of Sponsor's assets to a person that is not a Carnival Subsidiary.
- (b) Notwithstanding the preceding provisions of this Section 2.9, a Change in Control shall not be deemed to have occurred (A) if the "person" described in the preceding provisions of this Section 2.9 is an underwriter or underwriting syndicate that has acquired the ownership of 50% or more of the combined voting power of Carnival's then outstanding voting securities solely in connection with a public offering of Carnival's securities, or (B) if the "person" described in the preceding provisions of this Section 2.9 is an underwriter or underwriting syndicate that has acquired the ownership of 50% or more of the combined voting power of Sponsor's then outstanding voting securities solely in connection with a public offering of Sponsor's securities.

- (c) Wherever in the Plan there is reference of "Carnival", this shall mean both Carnival Corporation, a corporation organized under the laws of the Republic of Panama, and Carnival plc, a company incorporated under the laws of England and Wales, and reference to Carnival's outstanding voting securities shall be a reference to the combined voting power on joint electorate actions of the outstanding voting securities of both Carnival Corporation and Carnival plc.
- 2.10 Code. "Code" means the Internal Revenue Code of 1986, as amended.
- 2.11 Committee. "Committee" means the committee established to administer this Plan as set forth in Section 3.1 hereof, which shall be comprised of at least two persons, other than the Participant, who are appointed by the Board of Directors of the Sponsor.
- 2.12 Designated Participant. "Designated Participant" shall have the meaning given such term in the Trust Agreement.
- 2.13 Effective Date. "Effective Date" means the original effective date of the Plan, which is November 1, 1998.
- 2.14 Employer. "Employer" means Carnival plc, a company incorporated in England and Wales, Carnival Corporation, a corporation organized under the laws of the Republic of Panama, and any other employers whose employees are treated as employed by the same employer with Carnival plc or Carnival Corporation pursuant to Code Section 414(b) and (c).
- 2.15 Employment Agreement. "Employment Agreement" means the agreement by and between P&O Princess Cruises International, Ltd. and the Participant dated April 17, 2003, as amended July 19, 2004.
- 2.16 ERISA. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.
- 2.17 Fiduciary. "Fiduciary" shall have the meaning given such term in the Trust Agreement.
- 2.18 Final Pensionable Earnings. "Final Pensionable Earnings" means the higher of
- (a) the Pensionable Earnings received by the Participant in the twelve months ending on the last day of his Active Participation; and
 - (b) the annual average of Pensionable Earnings over the period of three consecutive Tax Years which gives the highest result out of the 13 years ending on the last day of the Participant's Active Participation. For this purpose, a Tax Year means a year ending April 5.
- 2.19 Former Sponsor. "Former Sponsor" means Princess Cruises, Inc., a former Sponsor of the Plan.

- 2.20 Normal Retirement Date. “Normal Retirement Date” means the date on which the Participant attains age 60.
- 2.21 Participant. “Participant” means Peter G. Ratcliffe, who was President of Former Sponsor on the Effective Date, and who is the Chief Executive Officer of P&O Princess Cruises International on the Restatement Effective Date.
- 2.22 Payment Date. “Payment Date” means the date upon which monthly installments of a Pension payable under the Plan shall be made, which shall be the first day of each calendar month.
- 2.23 PCLL. “PCLL” means Princess Cruises Lines, Ltd., a corporation organized under the laws of Bermuda.
- 2.24 Pension. “Pension” means a pension payable under this Plan, as further defined in Section 3.4.
- 2.25 Pensionable Earnings. “Pensionable Earnings” means, in relation to the Participant, basic pay from the Employer that is payable during Active Participation (a) including (i) any sums paid by Employer to the Participant as director’s fees or their equivalent, (ii) any amounts not currently includible in such Participant’s gross income by reason of Code Section 402(e)(3) and/or Code Section 125, and (iii) any portion of base salary deferred pursuant to the Princess Cruises Deferred Compensation Plan, provided that benefit payments under the Deferred Compensation Plan shall not be included in Pensionable Earnings, and (b) excluding any fixed allowances, overtime, bonus, commission or other fluctuating emoluments which are not pensionable under the terms of the Participant’s employment including, without limitation, the Participant’s car allowance payable under Section 5.4 of his Employment Agreement and his recreational and/or health club membership fees under Section 5.5 of his Employment Agreement.
- 2.26 Pensionable Service. “Pensionable Service” means, in relation to the Participant, 35 years and 57 days as of March 31, 2006 plus any additional Service credited after such date and before the Participant ceases Active Participation.
- 2.27 Plan. “Plan” means this Princess Cruises Chief Executive Officer Supplemental Retirement Plan adopted as of the Effective Date and as it has been and may be amended from time to time.
- 2.28 Potential Pensionable Service. “Potential Pensionable Service” means the Pensionable Service that the Participant would have had if he had continued as an Active Participant up to Normal Retirement Date.
- 2.29 Recordkeeper. “Recordkeeper” shall have the meaning given such term in the Trust Agreement.
- 2.30 Redetermination Date. “Redetermination Date” means the date as of which Pension increases under Section 3.3 and offset redeterminations under Section 3.4(c) shall be made, which shall be September 30.

- 2.31 Restatement Effective Date. “Restatement Effective Date” means the effective date of this 2008 Restatement, which shall be April 5, 2006, provided, however, the effective date of Section 7.14 and the amendments set forth in Exhibit B, which are designed to bring the Plan into compliance with Code Section 409A, shall be January 1, 2005.
- 2.32 Separation from Service. “Separation from Service” means a separation from service with the Employer, as such term is used in Code Section 409A(a)(2) (A(i), and as defined in applicable regulations thereunder. To “Separate from Service” means to experience a Separation from Service. In general, the Participant will have a Separation from Service with the Employer if he dies, retires or otherwise has a termination of employment with the Employer. Whether a termination of employment has occurred with respect to the Participant shall be based upon the facts and circumstances as determined by the Committee in accordance with applicable regulations. Notwithstanding the general definition of “Employer” as set forth in Section 2.14, for purposes of determining a “Separation from Service,” in applying Code Section 1563(a)(1), (c) and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language “at least 20 percent” is used instead of “at least 80 percent” each place it appears in Section 1563(a)(1), (2) and (3), and in applying Treasury Regulations Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), “at least 20 percent” is used instead of “at least 80 percent” each place it appears in Section 1.414(c)-2.
- 2.33 Service. “Service” means employment with the Employer.
- 2.34 Specified Rate. “Specified Rate” means the annual interest rate (as such rate may change from time to time) that is the most recent five year average of Moody’s AA 30-year Corporate Bond Index.
- 2.35 Sponsor. “Sponsor” means Princess Cruises Lines, Ltd., a company organized under the laws of Bermuda.
- 2.36 Spouse. “Spouse” means, with respect to the Participant, only that person (if any) to whom such Participant is married as of such Participant’s Separation from Service, provided, however, that a person who has been married to the Participant for less than one year as of such Participant’s Separation from Service shall not be deemed to be the “Spouse” of such Participant.
- 2.37 Surviving Spouse. “Surviving Spouse” means the Participant’s Spouse at the time of his death, if the Participant has a Spouse at the time of his death.
- 2.38 Total Incapacity. “Total Incapacity” means in relation to a Participant, a physical or mental condition which in the opinion of the Employer is likely permanently to prevent the Participant from doing his or her job with the Employer and from doing a suitable job with any other employer. “Suitable job” means a job which it is reasonable to expect the Participant to take (on the assumption that such jobs are available) and which allows the Participant to maintain his or her basic standard of living.

- 2.39 Trust. "Trust" means the trust from which certain benefits are payable under the Plan in accordance with the applicable provisions of the Trust Agreement.
- 2.40 Trust Agreement. "Trust Agreement" means the agreement pursuant to which the Trust is established, as it shall be amended from time to time.
- 2.41 Trustee. "Trustee" means the initial trustee of the Trust and any successor or individual or entity acting as a trustee of the Trust.
- 2.42 UK Pension Scheme. "UK Pension Scheme" means the P&O Princess Cruises Pension Scheme effective as of October 16, 2000, as modified by the agreements dated January 16, 2001 and October 17, 2001, all as in effect on April 5, 2006. Any amendments or other changes made to the UK Pension Scheme after April 5, 2006 shall not be taken into account for purposes of this Plan.
- 2.43 Undisputed Benefit Entitlement Statement. "Undisputed Benefit Entitlement Statement" means (a) any Benefit Entitlement Statement which is not initially disputed by the Participant (or Beneficiary) in the manner and within the time period specified in Section 3.10(c), and (b) any Benefit Entitlement Statement reissued by the Committee pursuant to Section 3.10(c) and with respect to which the Participant (or Beneficiary) does not file a statement of objection in the manner and within the time period specified in Section 3.10(d).

ARTICLE III. ADMINISTRATION OF THE PLAN

- 3.1 Committee Authority: Rules and Regulations. The Committee shall administer the Plan. The Committee shall have discretionary authority to (a) make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan, and (b) decide or resolve, in its discretion, any and all questions, including interpretations of the Plan, as may arise in connection with the Plan. The Committee shall have authority to take or approve, in its discretion, all such actions relating to the Plan (including, without limitation, actions described in the preceding sentence). Any decision or action of the Committee (and, subject to the provisions of Section 3.6 hereof, any decision or action of the Committee) in respect of any question arising out of or in connection with the administration, interpretation and application of this Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon the Participant.
- 3.2 Appointment of Agents. In the administration of this Plan, the Committee may from time to time employ agents (which may include officers and/or employees of the Sponsor) and delegate to them such administrative duties as the Committee (as applicable) deems appropriate.
- 3.3 Pension Increases.
- (a) A Pension will be increased in payment under this Section 3.3. Increases will be effective once every calendar year on April 1 (the "Adjustment Date").

- (b) Subject to (c) below, the rate of the increase for that part of a Pension that is attributable to Pensionable Service before April 6, 1997 will be 3%, or if less the percentage increase in the Consumer Price Index – Urban Wage Earners and Clerical Workers (“CPI-W”) over the twelve-month period ending on the Redetermination Date immediately preceding the Adjustment Date. The rate increase for that part of a Pension that is attributable to Pensionable Service on or after April 6, 1997 will be 5%, or if less, the percentage increase in the CPI-W over the twelve-month period ending on the Redetermination Date immediately preceding the Adjustment Date. In the event there is a decrease in the CPI-W for any year, the percentage increase in the amount of the Pension for that year shall be zero, and the percentage increase in the CPI-W for any subsequent year shall be calculated taking into account such prior year decrease in the CPI-W.
- (c) The rate of increase under this Section 3.3 for a retirement Pension under Article IV, which has been in payment for less than nine months at the Adjustment Date will be a percentage of the rate that would have been paid if it had been in payment for a full year, depending on how long the Pension has been in payment as set out below:

<u>Period in payment</u>	<u>Percentage of full rate increase</u>
Less than 3 months	25%
Less than 6 months	50%
Less than 9 months	75%

3.4 Calculation and Payment of Benefits.

- (a) Pensions Payable for Life. Unless the contrary is expressly stated, a Pension is payable for life and its amount as described in Article IV and V is its annual amount.
- (b) Payment of Pensions/Lump Sums.
- (i) All Pensions payable under the Plan will be paid in United States Dollars by monthly installments in arrear on the Payment Date. Except as provided by (ii) below, the first installment will fall due on the Payment Date next following the date on which the Pension was due to commence (that is, upon Separation from Service or the Participant’s death) and will be apportioned to take into account part of a month. The last installment will fall due on the Payment Date next following the date on which the event giving rise to the cessation of such Pension occurs and will not be apportioned to the date of such event.
- (ii) Where a Pension commences as a result of the death of the Participant if he is in receipt of a Pension under the Plan, the first installment of such Pension will fall due on the second Payment Date following the Participant’s death and will not be apportioned.

(iii) Where a lump sum is payable as a result of the death of the Participant under Section 5.1 or Section 5.2(b) or as a result of the Surviving Spouse's death under Section 5.2(c), such lump sum shall be paid in United States Dollars on the ninetieth (90) day following the Participant's death or the Surviving Spouse's death, whichever is applicable. The Participant's Beneficiary shall not have the right to designate the taxable year of payment.

(c) UK Pension Scheme Offset.

- (i) The amount of any Pension payable under the Plan shall be offset by the amount of the pension that the Participant would be entitled to receive under the UK Pension Scheme if he had elected to receive such pension at the same time and in the same form as the Pension payable under this Plan, all as determined under this subparagraph (i).
- (A) The offset for the initial payment of any Pension to be paid under the Plan shall be determined as of the date (the "Initial Offset Determination Date") that is 30 days before the initial Payment Date. As of the Initial Offset Determination Date, the amount of the pension that would be payable under the UK Pension Scheme, which is expressed in Pounds Sterling, shall be converted into an equivalent amount expressed in terms of United States Dollars, using the average of exchange rates published in the Wall Street Journal on the first day of each month during the one-year period ending on the Initial Offset Determination Date.
- (B) The amount of the offset used in determining the amount of a Pension payable under the Plan shall be redetermined annually on the Redetermination Date in accordance with the provisions of this subparagraph (B) with the first such redetermination to be made as of the Redetermination Date following the initial Payment Date for the Pension and with redeterminations to be made each subsequent Redetermination Date. The effective date of any redetermination shall be the Adjustment Date following the Redetermination Date. As of each Redetermination Date following the initial Payment Date, the amount of the offset shall be redetermined based on the amount of the pension that would be payable under the UK Pension Scheme after adjustment for the increase under the terms of the UK Pension Scheme that would be effective on the following Adjustment Date. The redetermined offset shall be converted into an equivalent amount expressed in terms of United States Dollars, using the average of exchange rates published in the Wall Street Journal on the first day of each month during the one-year period ending on the Redetermination Date at which the redetermination is to be made.

- (C) As of each Redetermination Date, the offset redetermined and converted into an amount expressed in terms of United States Dollars in accordance with subparagraph (B) above shall be used to determine the Pension payable under the Plan annually at the same time as the Pension increase is determined under the provisions of Section 3.3, with any change in the amount of such Pension to be effective at the Adjustment Date following the redetermination of the offset.
- (D) The amount of any Pension payable under the Plan shall not be offset by the payment of any cash supplement under the UK Pension Scheme.
- (E) If the Participant has the right to commute (that is, exchange) the whole or part of any pension payable under the UK Pension Scheme for a cash sum, the offset described in this subparagraph (i) shall be determined assuming that the Participant has elected not to exercise such right to commute his pension for a cash sum.
- (F) The six-month delay required under Section 4.9 and the resulting lump sum that is payable on account of the delay under Section 4.4 shall be disregarded in determining the offset described in this subparagraph (i), that is, the offset shall be determined as if the six-month delay had not occurred and the lump sum had not been paid.

- (ii) Notwithstanding the provisions of subparagraph (i) above, if a lump sum is payable under paragraphs (b) or (c) of Section 5.2 of the Plan, then the amount of such lump sum shall be offset by the amount of the lump sum that the Participant would have been entitled to receive under the corresponding provisions of the UK Pension Scheme had the Participant elected to receive the pension payable to the Participant under the UK Pension Scheme at the same time and in the same form as the Pension payable under this Plan. The amount of the lump sum that would be payable under the UK Pension Scheme, which is expressed in terms of Pounds Sterling, shall be converted to United States Dollars using the average of the exchange rates published in the Wall Street Journal on the first day of each month during (A) the one-year period ending on the death of the Participant in the case of a payment under Section 5.2(b), or (B) the one-year period ending on the death of the Surviving Spouse in the case of a payment under 5.2(c).

3.5 Initial Action on Application. If the Plan fails to pay the benefits provided under the terms of the Plan to the Participant and/or his Beneficiary (the "Claimant"), then the Claimant or the Claimant's authorized representative may make application for such benefits. Within 60 days (45 days in the case of a determination regarding Total Incapacity) following receipt of an application for benefits and all necessary documents and information, the Committee shall:

- (a) determine whether the Claimant claiming benefits (or with respect to whom benefits are claimed) is entitled to benefits under this Plan, and

- (b) furnish the Claimant with written notice of the decision rendered with respect to such application. Should special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Claimant prior to the expiration of the initial 60 (or 45) day period. The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In no event shall the period of the extension exceed 90 days (30 days in the case of a determination of Total Incapacity) from the end of the initial 60 day (or 45 day) period. In the case of a denial of the Claimant's application, the written notice thereof shall set forth specific reasons for the denial, with references to the Plan provisions upon which the denial is based, a description of any additional information or material necessary to perfect the application (together with an explanation why such material or information is necessary), and an explanation of the Plan's claim review procedure including the right of the Claimant to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

3.6 Appeal of Initial Decision.

- (a) If the Claimant does not agree with the initial decision rendered with respect to his application pursuant to Section 3.5 hereof he or his authorized representative may appeal such decision to the Committee. The appeal must be in writing and must be filed with the Committee within 65 days after the date of notice of the initial decision with respect to the application, or, if the application has neither been approved nor denied within the applicable period provided in Section 3.5 hereof, then the appeal must be filed within 65 days after the expiration of such applicable period.
- (b) The Claimant may request that his application be given full and fair review by the Committee. The Claimant may review all pertinent documents and submit issues and comments to the Committee in writing in connection with the appeal. The decision of the Committee shall be made promptly, and not later than 60 days (45 days in the case of a determination of Total Incapacity) after the Committee's receipt of a request for review and all supporting documentation and information to be submitted by the Claimant, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days (90 days in the case of a determination of Total Incapacity) after receipt of a request for review and such supporting documentation and information. If special circumstances require such extension, a written notice will be provided to the Claimant prior to the expiration the initial 60-day (or 45-day) period. The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. The Committee's decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the Claimant, with specific

reference to the pertinent Plan provisions upon which the decision is based. In the case of a denial of the Claimant's appeal, the written notice thereof shall set forth specific reasons for the denial, with references to the Plan provisions upon which the denial is based, a statement that the Claimant has the right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits and a statement of the Claimant's right to bring a civil action under ERISA Section 502(a).

- 3.7 Leave of Absence. In the event the Participant takes a leave of absence from active employment with the Employer, the Committee shall determine, in accordance with applicable regulations, whether such leave of absence shall be deemed to constitute a termination of employment with the Employer for purposes of this Plan. The employment relationship shall be treated as continuing intact while the Participant is on military leave, sick leave or other bona fide leave of absence (such as temporary employment by the government), if the period of leave does not exceed six months, or if longer, so long as the Participant's right to reemployment with the Employer is provided either by statute or by contract. For purposes of the Plan, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Employer. If the period of leave exceeds six months and the Participant's right to reemployment is not provided by statute or by contract, the employment relationship is deemed to terminate on the first day immediately following such six-month period. Notwithstanding the foregoing, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the employee to be unable to perform the duties of his position of employment or any substantial similar position of employment, a 29-month period of absence may be substituted for such six-month period.
- 3.8 Actuarial Assumptions. In any case in which it is necessary to make actuarial adjustments or to determine actuarial equivalence in order to carry out the provisions of this Plan (including, without limitation, the provisions requiring the determination of an actuarially equivalent benefit under Section 5.2(d) hereof), the following assumptions shall be applied, provided, however, that the foregoing assumptions shall not apply to the actuarial adjustments described in Sections 4.2(c), 4.3(b), and 5.4.
- (i) The interest assumption shall be the most recent five year average of Moody's AA 30-Year Corporate Bond Index, as measured on the last day of the calendar year preceding the date of such determination; and
 - (ii) The mortality assumption shall be determined by reference to the mortality table prescribed by the Secretary of the Treasury pursuant to the provisions of Section 430(h)(3)(A) of the Code to be used in determining the present value or making any computation under Section 430 of the Code as of such date.

3.9 Designation of Beneficiary. A Participant shall be entitled to designate one or more individuals or entities (including a trust or trusts), in any combination, as his or her “Beneficiary” or “Beneficiaries” to receive the lump sum death benefit under Section 5.2 if there is no Surviving Spouse at the Participant’s death or if the Surviving Spouse dies within five years following the Participant’s death. Any such designation may be made or changed at any time prior to the Participant’s death by written notice filed with the Committee, with such written notice to be in such form and contain such information as the Committee may from time to time determine. In the event that (a) a Beneficiary designation is not on file or is not effective at the date of a Participant’s death, (b) no Beneficiary survives the Participant or Surviving Spouse, as applicable, or (c) no Beneficiary is living at the time the lump sum death benefit under Section 5.2 becomes payable under this Plan, then, for purposes of making payment of such benefit, such Participant’s Beneficiary or Beneficiaries shall be deemed to be the Participant’s estate.

3.10 Benefit Entitlement Statements.

- (a) On or before March 31 of each calendar year, the Committee shall cause to be given to the Participant (or Beneficiary then entitled to payment in the case of a deceased Participant) a Benefit Entitlement Statement setting forth the Participant’s benefit entitlement under the Plan and the Payment Allocation Ratio (as such term is defined in the Trust Agreement) determined by the Recordkeeper under the relevant provisions of the Trust Agreement. If the Participant (or Beneficiary) is in pay status as of the preceding December 31 (the “Cut-Off Date”), the Participant’s Benefit Entitlement Statement shall set forth the amount of the Pension to which the Participant (or Beneficiary) is entitled effective as of the April 1 following the Cut-Off Date. If the Participant (or Beneficiary) is not in pay status, that is, the Participant has not Separated from Service as of the Cut-Off Date, then the Benefit Entitlement Statement shall set forth the amount of the Pension to which the Participant would have been entitled if he had Separated from Service as of the Cut-Off Date. Concurrently with the Committee’s providing a Benefit Entitlement Statement to the Participant (or Beneficiary), the Committee shall provide a copy of such Benefit Entitlement Statement to the Recordkeeper, the Fiduciary and the Trustee. In each case (including in the case of a Benefit Entitlement Statement issued under paragraph (b) below), the Benefit Entitlement Statement shall show how the Pension is calculated including the Participant’s Pensionable Service, Final Pensionable Earnings (and the Pensionable Earnings for the applicable periods used to calculate the Participant’s Final Pensionable Earnings), Average Annual Compensation (and the Pensionable Earnings for the applicable periods used to calculate the Participant’s Average Annual Compensation), and any other information that is pertinent to the calculation of the Participant’s Pension (or Spouse’s Pension) including, but not limited to, the rate of increase determined under Section 3.3 and, if applicable, the amount of the offset for the UK Pension Scheme determined under Section 3.4(c).
- (b) Notwithstanding the foregoing, (i) in the case of the Participant’s Separation from Service (other than on death), the Committee shall cause to be given to the Participant a Benefit Entitlement Statement within 90 days following such Separation from Service and the Statement shall include the amount of the Pension that is payable to the Participant, and (ii) in the case of the Participant’s Separation from Service on account of death, the Committee shall cause to be given to

the Participant's Beneficiary a Benefit Entitlement Statement within 90 days following such Separation from Service and the Statement shall include the amount of the Spouse's Pension that is payable to the Beneficiary. The Committee shall provide a copy of each such Benefit Entitlement Statement to the Recordkeeper, the Fiduciary and the Trustee.

- (c) The Participant (or Beneficiary then entitled to payment in the case of a deceased Participant) shall have the right to dispute his Benefit Entitlement Statement on or before May 31 of the calendar year following the applicable Cut-Off Date (or in the case of a Benefit Entitlement Statement issued under paragraph (b), on or before 60 days following the end of the 90-day period within which such Statement shall be issued) by filing a written statement with the Committee setting forth the basis of his objection, with a copy to the Recordkeeper, the Fiduciary and the Trustee. On or before the Committee Response Date (as defined below), the Committee shall respond in writing to the Participant's (or Beneficiary's) objections and shall cause the Benefit Entitlement Statement to be reissued (and designated as such), and such reissued Benefit Entitlement Statement shall reflect such changes, if any, as the Committee determines are appropriate in light of the Participant's (or Beneficiary's) objections. Concurrently with the Committee's providing such reissued Benefit Entitlement Statement to the Participant (or Beneficiary), the Committee shall provide a copy of such reissued Benefit Entitlement Statement to the Recordkeeper, the Fiduciary and the Trustee. As used herein, "Committee Response Date" shall mean with respect to any Benefit Entitlement Statement to which a Participant (or Beneficiary) objects as provided hereinabove (i) June 30 of the calendar year following the applicable Cut-Off Date in the case of a Benefit Entitlement Statement issued under paragraph (a) above, or (ii) within 30 days following the date the Participant files his written statement with the Committee in the case of a Benefit Entitlement Statement issued under paragraph (b) above, or (iii) such later date to which the Participant (or Beneficiary) may agree in writing, provided, however, that no such agreement shall be effective to extend the Committee Response Date unless a copy of such agreement is provided to the Recordkeeper, the Fiduciary and the Trustee.
- (d) The Participant (or Beneficiary then entitled to payment in the case of a deceased Participant) shall have the right to dispute any Benefit Entitlement Statement reissued by the Committee with respect to the Participant (or Beneficiary) as provided in paragraph (c) above. In order to dispute any reissued Benefit Entitlement Statement, the Participant (or Beneficiary) must file a written statement of his objection (and the basis therefore) with the Committee on or before the date which is 60 days following the Committee Response Date applicable to such reissued Benefit Entitlement Statement, with a copy of such statement of objection to the Recordkeeper, the Fiduciary and the Trustee. Any such dispute between the Participant (or Beneficiary) and the Committee concerning a reissued Benefit Entitlement Statement shall be resolved pursuant to the claim review procedure set forth in Sections 3.5 and 3.6, in which case the Benefit Entitlement Statement shall be revised, if necessary, and republished in accordance with the determination made pursuant to such claim review procedure.

- (e) In the event of any dispute between the Participant (or Beneficiary then entitled to payment in the case of Participant being deceased) and the Sponsor as to the amount of Pension or Spouse's Pension that is payable to such Participant (or Beneficiary), the Participant (or Beneficiary) shall be entitled in accordance with the applicable provisions of the Trust Agreement to receive benefit payments during the period of such dispute based upon the most recent applicable Undisputed Benefit Entitlement Statement, with such payments to be adjusted following the final resolution of such dispute to reflect the determination made pursuant to such final resolution. For purposes of the preceding sentence, in the case of any dispute described therein which is reviewed by the Committee pursuant to the claims review procedure set forth in Sections 3.5 and 3.6, the determination made pursuant to such claims review procedure shall not be deemed to constitute a "final resolution of such dispute" unless the Participant (or Beneficiary) agrees in writing that such determination shall constitute a final resolution of such dispute. A copy of any such written agreement shall be provided to the Recordkeeper, the Fiduciary and the Trustee.
 - (f) For the purpose of determining whether any Benefit Entitlement Statement or reissued Benefit Entitlement Statement constitutes an Undisputed Benefit Entitlement Statement and therefore may be relied upon for the purpose of making payments to a Participant (or Beneficiary) pursuant to paragraph (e) above, the Recordkeeper, the Fiduciary and the Trustee shall conclusively presume that any Benefit Entitlement Statement or reissued Benefit Entitlement Statement constitutes an Undisputed Benefit Entitlement Statement unless the Recordkeeper, the Fiduciary or the Trustee, as applicable, has actually received a copy of the Participant's (or Beneficiary's) written statement of objection to such Benefit Entitlement Statement or reissued Benefit Entitlement Statement within seven days following the expiration of the period for filing such written statement of objection as provided in paragraph (c) or paragraph (d) above, as applicable.
- 3.11 Funding of Rabbi Trust. Subject to the amendment or termination of this Plan, the Sponsor shall contribute to the Trust such amounts as shall be determined under the applicable provisions of the Trust Agreement.
- 3.12 Accelerated Payments. The time or schedule of a payment under the Plan shall be accelerated under the following circumstances:
- (a) Payment Upon Income Inclusion Under Code Section 409A. (i) If the United States Internal Revenue Service (the "Service") prevails in a claim that the Plan fails to meet the requirements of Code Section 409A, or (ii) if legal counsel satisfactory to the Sponsor and the Participant or his Surviving Spouse (if the Participant is not alive) renders an opinion that the Service would more likely than not prevail in such a claim, a lump sum which is the actuarial equivalent of the Pension payable to the Participant (and the Spouse's Pension payable under Article V) shall be immediately paid to the

Participant (or to the Surviving Spouse, if the Participant is not alive). For purposes of the Plan, the Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Participant or Surviving Spouse (if the Participant is not alive), based upon an opinion of legal counsel satisfactory to the Sponsor and the Participant or Surviving Spouse (if the Participant is not alive), fails to appeal a decision of the Service, or a Court of applicable jurisdiction, with respect to such claim, to an appropriate Service appeals authority or to a Court of higher jurisdiction within the appropriate time period. Notwithstanding the foregoing, any payment made under this paragraph (a) may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Code Section 409A and the regulations thereunder. If an amount is paid pursuant to this paragraph (a), then any Pension or lump sum payable under the Plan shall be reduced to take into account the payment made.

- (b) Payment of Employment Taxes. If FICA Tax is due with respect to benefits under the Plan or Withholding is applicable as a result of payment of the FICA Amount, then payment under the Plan shall be made to pay the FICA Tax and to satisfy the Withholding obligation. For purposes of this paragraph (b), the following definitions shall apply: (i) "FICA Tax" means the Federal Insurance Contributions Act tax imposed under Code Section 3101, Code Section 3121(a) or Code Section 3121(v)(2) to the extent applicable; (ii) "FICA Amount" is the amount of FICA Tax due with respect to benefits under the Plan; and (iii) "Withholding" is the income tax at source on wages imposed under Code Section 3401 or the corresponding withholding provisions of applicable state, local, or foreign tax laws. If an amount is paid pursuant to this paragraph (b), then any subsequent payment(s) due under the Plan shall be reduced to take into account the payment made under this paragraph.
- (c) Domestic Relations Orders. The Plan shall make payment to an Alternate Payee as may be necessary to fulfill a domestic relations order, as such term is defined in Code Section 414(p)(1)(B), provided the order may not:
- (i) require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, for example, the order may not require the Plan to pay a Spouse's Pension described in Article V, nor may the order require the Plan to provide the Medical Coverage described in Sections 4.8 and 5.6 unless the Plan is required by applicable law to provide such coverage, and then only to extent required;
 - (ii) require the Plan to provide increased benefits (determined on the basis of actuarial equivalent value); and
 - (iii) require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another order directed to the Plan.

If an amount is paid pursuant to this paragraph (c), then any Pension payable under the Plan shall be reduced to take into account the payment made.

ARTICLE IV. RETIREMENT BENEFITS

The Pensions described in Sections 4.1, 4.2, 4.3 and 4.5 are stated in terms of a gross amount payable before application of the offset provisions of Section 3.4(c). The actual amount payable under the Plan is net of the offset required under Section 3.4(c).

- 4.1 Normal Retirement. If the Participant ceases Active Participation and Separates from Service at Normal Retirement Date, he shall be paid a Pension commencing at Separation from Service equal to the sum of:
- (a) 1/60th of Final Pensionable Earnings for each year of Pensionable Service (and pro rata for a fraction of one year) for the period of the Participant's Pensionable Service from June 1, 1973 to March 31, 1988 together with two service credit periods of 250 days and 1 year and 258 days; and
 - (b) 1/45th of Final Pensionable Earnings for each year of Pensionable Service (and pro rata for a fraction of one year) on and from April 1, 1988.
- 4.2 Late Retirement.
- (a) While the Participant remains in Service, he shall be entitled to elect to cease Active Participation at or at any time after his Normal Retirement Date, provided, however, that if he does not so elect, he shall continue Active Participation.
 - (b) If the Participant's Active Participation continues after Normal Retirement Date, he shall be paid a Pension commencing at Separation from Service that is calculated in accordance with the provisions of Section 4.1 based on Final Pensionable Earnings at and Pensionable Service accrued up to the date the Participant ceases Active Participation, provided, however, that the maximum number of years of Pensionable Service used for purposes of calculating the Pension will be 42 years and 57 days.
 - (c) If the Participant's Active Participation ceases after Normal Retirement Date and before he Separates from Service, then the amount of the Pension described in paragraph (b) above shall be increased in accordance with the provisions of Section 3.3 (as if the Pension were in pay status) from the date at which the Participant's Active Participation ceases to the date of his Separation from Service. In addition, to take into account the later commencement of the benefit, the amount of such Pension shall be further increased at the rate of 5% per year for the period commencing on the date at which the Participant's Active Participation ceases to the date of his Separation of Service.

4.3 Early Retirement. If the Participant Separates from Service before Normal Retirement Date, he shall be paid the Pension described in (a) or (b) below, whichever is applicable:

- (a) If the Participant is retiring at the request of the Employer or the Participant elects to terminate his employment with the Employer for “Good Reason,” as defined in Section 12.5 of the Employment Agreement, he shall be paid a Pension commencing at Separation from Service that is calculated in accordance with the provisions of Section 4.1 based on Final Pensionable Earnings at and Pensionable Service accrued up to the date the Participant ceases Active Participation. No actuarial reduction to take into account early payment shall be made.
- (b) If the Participant is retiring in other circumstances, he shall be paid a Pension commencing at Separation from Service that is calculated in accordance with the provisions of Section 4.1 based on Final Pensionable Earnings at and Pensionable Service accrued up to the date the Participant ceases Active Participation, but reduced as described below to take into account early payment, provided, however, the amount of the Pension payable under this paragraph (b) shall not be less than two-thirds of Final Pensionable Earnings without any actuarial reduction to take into account early payment. The reduction referenced above shall be applied by multiplying the Pension by the factor corresponding to the age of the Participant at the date of his Separation from Service as determined in the table below:

<u>Age</u>	<u>Factor</u>
58	.9300 plus .0025 for each month over age 58
59	.9600 plus .0033 for each month over age 59
60	1.0000 no reduction

- (c) If the Participant’s Active Participation ceases before Normal Retirement Date and before he Separates from Service, then the amount of the Pension described in paragraph (a) or (b) above shall be increased in accordance with the provisions of Section 3.3 (as if the Pension were in pay status) from the date at which the Participant’s Active Participation ceases to the date of his Separation from Service.

4.4 Delay in Payment.

- (a) If payment of a Pension has been delayed pursuant to Section 4.9 (i.e., the Pension would have commenced to be paid, but for the delay in payment of the Pension as required under Section 4.9) or for any other reason, the aggregate monthly Pension payments that would have been made during the delay shall be paid to the Participant (or to the Surviving Spouse in the case of Spouse’s Pension) in one lump sum, together with interest at the Specified Rate from the date each such monthly Pension payment otherwise would have been paid until such monthly payment is paid, and the remaining monthly Pension payments of such Pension shall be paid on their respective regularly-scheduled Payment Dates.

- (b) If payment of a lump sum is delayed, the amount of such lump sum shall be increased to reflect interest at the Specified Rate from the date by which such payment was required to be made until such payment is paid.
- 4.5 Total Incapacity. If the Participant has a Separation from Service before Normal Retirement Date and such separation is due to Total Incapacity, he shall be paid a Pension commencing at Separation from Service that is calculated in accordance with the provisions of Section 4.3(a) above, but based on Final Pensionable Earnings at the date the Participant ceases Active Participation and Potential Pensionable Service, provided, however, if the Participant ceases Active Participation before Separation from Service, the Pension shall be calculated using Pensionable Service instead of Potential Pensionable Service.
- 4.6 Termination of Active Participation. In the event that the Committee determines that the Participant's employment performance is no longer at a level which merits continued Active Participation in the Plan, the Committee may terminate such Participant's Active Participation in the Plan (without necessarily terminating such Participant's employment) as of the date specified by the Committee. Notwithstanding any other provision of this Plan, the Pension payable to the Participant or his Surviving Spouse if Active Participation is terminated pursuant to this Section 4.6 or if the Participant elects under Section 4.2(a) to cease Active Participation shall be calculated by taking into account, in determining the amount of such Pension, only the Pensionable Service, Pensionable Earnings and Average Annual Compensation earned by such Participant during his Active Participation. If the Participant's Active Participation ceases at or after Normal Retirement Date and before his Separation from Service, the Participant's Pension payable at Separation from Service shall be calculated taking into account the adjustments described in Section 4.2(c). If the Participant's Active Participation ceases before Normal Retirement Date and before Separation from Service, the Participant's Pension payable at Separation from Service shall be calculated taking into account the adjustments described in Section 4.3(c).
- 4.7 Benefits Subject to Forfeiture.
- (a) Subject to paragraph (b) below, and to Treasury Regulation Section 1.409A-3(j)(4)(xiv), as applicable, while the Participant remains a participant in the Plan, the benefits of and in respect to his participation, which have not yet been paid to him, will be subject to forfeiture if:
- (i) the Participant is convicted in a court of law of having committed a fraudulent act or omission against the Employer or the Plan; and
 - (ii) that act or omission gives rise to a monetary obligation by the Participant towards the Employer or the Plan as the case may be; and
 - (iii) the amount of that monetary obligation is equal to or exceeds the value of the Participant's benefits referred to above; and
- (b) where a forfeit applies under paragraph (a) above:
- (i) the Participant must be given a certificate showing the amount forfeited and its effect on his total benefits under the Plan; and

- (ii) where there is a dispute as to the amount to be forfeited, that amount must not be forfeited unless the obligation in question has become enforceable under an order of a competent court or in consequence of an award of an arbitrator.

4.8 Medical Coverage Upon Separation from Service.

- (a) The Sponsor shall provide medical coverage ("Medical Coverage") to the Participant and his Spouse on substantially the same terms and conditions as active employees of Sponsor, provided that the Participant (or Spouse) bears the cost of such coverage and the person(s) to whom the coverage is provided (i.e., the Participant and/or his Spouse) are residing in the United States. For purposes of this Section 4.8, the "cost of such coverage" shall be equal to the charge imposed for the same or similar coverage offered to active employees through Sponsor's Flexible Benefit Plan. Neither the Participant nor his Spouse shall be entitled to a flex credit under Sponsor's Flexible Benefit Plan.
- (b) The Participant's Medical Coverage offered under this Section 4.8 shall commence on the Participant's Separation from Service and shall end on the earlier to occur of (i) the date the Participant attains the age as of 67; or (ii) the date the Participant attains the age as of which he would be eligible for Medicare benefits under Title XVIII of the Social Security Act if he were to satisfy all of the requirements (other than age) for such benefits, provided, however, the Participant shall not be entitled to such coverage if the date on which the coverage would end occurs before the Participant's Separation from Service.
- (c) The Spouse's Medical Coverage offered under this Section 4.8 shall commence on the date of the Participant's Separation from Service and shall end on the earlier to occur of (i) the date that the Spouse's eligibility would end under the terms of the medical coverage provided to active employees of the Sponsor, or (ii) the date she attains the age as of which she would be eligible for Medicare benefits under Title XVIII of the Social Security Act if she were to satisfy all of the requirements (other than age) for such benefits. The Spouse's Medical Coverage shall continue in accordance with the provisions of this Section 4.8 notwithstanding the death of the Participant.
- (d) The Medical Coverage offered under this Section 4.8 shall be provided under an individual or group policy of accident or health insurance issued by a licensed insurance company or under an arrangement in the nature of a prepaid health care plan that is regulated under federal or state law in a manner similar to the regulation of insurance companies.

- 4.9 Six-Month Delay. The initial Payment Date for any Pension payable to the Participant upon his Separation from Service shall be delayed until the date that is six months after the date of the Participant's Separation from Service (or, if earlier, the Participant's date of death). This Section 4.9 is intended to satisfy the Code Section 409A(a)(2)(B)(i) requirement for a six-month delay in any payment to a specified employee (as defined in Code Section 409A(a)(2)(B)(i)) following such an employee's Separation from Service and it shall be interpreted and applied in accordance with such section of the Code and the applicable regulations thereunder.

ARTICLE V. DEATH OF THE PARTICIPANT

The Pensions described in Sections 5.1, 5.2 and 5.3 are stated in terms of a gross amount payable before application of the offset provisions of Section 3.4(c). The actual amount payable under the Plan is net of the offset required under Section 3.4(c). Notwithstanding anything to the contrary and in accordance with Section 409A, the form of any death benefit to a Spouse or Beneficiary who is not a Spouse shall be a lump sum payment. Thus, the Spouse Pension will be paid as a lump sum determined as of the date of the Participant's death without regard to adjustments contained in Section 3.3.

- 5.1 Death Before Separation from Service. If the Participant dies before Separation from Service, the Participant's Surviving Spouse shall be paid a lump sum death benefit determined under (c) below and a Spouse's Pension commencing at the Participant's death in an amount determined under (a) or (b) below, whichever is applicable:
- (a) If the Participant dies on or before Normal Retirement Date, the Spouse's Pension shall be 60% of the Pension to which the Participant would have been entitled at Normal Retirement Date using the benefit formula in Section 4.1 and the Participant's Final Pensionable Earnings and Pensionable Service at the date the Participant ceases Active Participation, taking into account the adjustments described in Sections 4.2(c) and 4.3(c), provided, however, the amount of the Spouse's Pension payable under this paragraph (a), redetermined each year in accordance with the provisions of Sections 3.3, shall not be less than 65% of the Participant's Average Annual Compensation at the date the Participant ceases Active Participation reduced by the 401(k)/Social Security Reduction Amount (as defined below in Section 5.5). The minimum Spouse's Pension described in the immediately preceding proviso shall not be increased under Section 3.3, nor shall the adjustments described in Sections 4.2(c) and 4.3(c) be applicable. In calculating the Pension to which the Participant would have been entitled at Normal Retirement Date, there shall be no actuarial reduction to take into account that the Pension would have commenced to be paid before Normal Retirement Date.
 - (b) If the Participant dies after Normal Retirement Date, the Spouse's Pension shall be 60% of the Pension to which the Participant would have been entitled on the date of his death using the benefit formula under Section 4.1 and the Participant's Final Pensionable Earnings at and Pensionable Service accrued through the date the Participant ceases Active Participation, taking into account the adjustments described in Sections 4.2(c) and 4.3(c), and assuming that the Participant had Separated from Service on the day before his death, provided, however, the amount of the Spouse's Pension payable

under this paragraph (b), redetermined each year in accordance with the provisions of Sections 3.3, shall not be less than 65% of the Participant's Average Annual Compensation at the date the Participant ceases Active Participation reduced by the 401(k)/Social Security Reduction Amount (as defined below in Section 5.5). The minimum Spouse's Pension described in the immediately preceding proviso shall not be increased under Section 3.3, nor shall the adjustments described in Sections 4.2(c) and 4.3(c) be applicable.

- (c) The lump sum death benefit payable under this paragraph (c) shall be equal to \$4,600,000, which is equal to four times the Participant's annual basic pay as of the Restatement Effective Date.

5.2 Death After Separation From Service But Before End of Five-Year Period.

- (a) Spouse's Pension. If the Participant dies after Separation from Service but before the expiration of the five-year period following Separation from Service, the Participant's Surviving Spouse at the date of the Participant's Separation from Service (if the Participant has the same spouse at death as he had at Separation from Service) shall be paid a Spouse's Pension commencing at the Participant's death equal to 60% of the Pension the Participant would have been receiving on the date of death had the offset described in Section 3.4(c) not been applied, provided, however, the Spouse's Pension payable under this Section 5.2(a), redetermined each year in accordance with Sections 3.3 shall not be less than 65% of the Participant's Average Annual Compensation at the date the Participant ceases Active Participation reduced by the sum of the Special Reduction Amount (as defined below in paragraph (d)) and the 401(k)/Social Security Reduction Amount (as defined below in Section 5.5). The minimum Spouse's Pension described in the immediately preceding proviso shall not be increased under Section 3.3, nor shall the adjustments described in Sections 4.2(c) and 4.3(c) be applicable, provided that such minimum shall be adjusted annually to take into account the increased Special Reduction Amount as described in (ii) of paragraph (d) below.
- (b) Lump Sum. If the Participant dies after Separation from Service but before the expiration of the five-year period following Separation from Service, a lump sum payment shall be made to the Participant's Beneficiary. The amount of the lump sum is equal to (i) the balance of installments of the Pension which would have been paid during the rest of the five-year period if the Participant had survived, minus (ii) the aggregate installments of the Spouse's Pension, if any, expected to be paid during the rest of that period. Prospective Pension increases under Section 3.3 are not taken into account in this calculation.
- (c) Further Lump Sum on Spouse's Death. If a deduction is made in respect of a Surviving Spouse's Pension under (b)(ii) above and the Surviving Spouse dies during the remainder of that five-year period, then a further lump sum payment shall be made to the Participant's Beneficiary in an amount equal to the total of the further installments of Pension that the Surviving Spouse would have received if she had lived to the end of the five-year period, but without taking into account prospective Pension increases under Section 3.3.

- (d) Special Reduction Amount. The “Special Reduction Amount” shall be determined under this paragraph (d). The Special Reduction Amount that shall be used for determining the initial payment for the Pension payable under this Section 5.2(a) shall be determined in accordance with subparagraph (i). The Special Reduction Amount shall be increased annually in accordance with subparagraph (ii), with such increase to be made at the same time as the Pension increase is determined under Section 3.3.
- (i) The Special Reduction Amount that shall be used for determining the initial payment for the Pension payable under this Section 5.2(a) shall be the amount that would be paid in the first year of a stream of payments, where the stream of payments is the actuarial equivalent of the lump sum payable under Section 5.2(b), and such stream of payments provides a monthly amount for the Spouse’s life that increases in accordance with the provisions of the UK Pension Scheme that provide for an annual increase in the pension based on the UK Retail Price Index, as defined below. For purposes of this paragraph (d), the “UK Retail Price Index” means the UK Government’s General Index of Retail Prices and actuarial equivalence shall be determined in accordance with the assumptions set forth in Section 3.8.
 - (ii) The Special Reduction Amount shall be increased annually by the increase in the UK Retail Price Index assumed for purposes of the determination under subparagraph (i) above.
- 5.3 Death After Separation From Service And After End of Five-Year Period. If the Participant dies after Separation from Service and after the expiration of the five-year period following Separation from Service, the Participant’s Surviving Spouse at the date of the Participant’s Separation from Service (if the Participant has the same spouse at death as he had at Separation from Service) shall be paid a Spouse’s Pension commencing at the Participant’s death equal to 60% of the Pension the Participant would have been receiving on the date of death had the offset described in Section 3.4(c) not been applied, provided, however, the Spouse’s Pension payable under this Section 5.3, redetermined each year in accordance with Sections 3.3, shall not be less than 65% of the Participant’s Average Annual Compensation at the date the Participant ceases Active Participation reduced by the 401(k)/Social Security Reduction Amount (as defined below in Section 5.5). The minimum Spouse’s Pension described in the immediately preceding proviso shall not be increased under Section 3.3, nor shall the adjustments described in Sections 4.2(c) and 4.3(c) be applicable.
- 5.4 Limitations on Surviving Spouse’s Pension. A Spouse’s Pension payable to a Surviving Spouse who is more than 10 years younger than the Participant shall be reduced by 2.5% for each year by which the age difference exceeds 10 years. Notwithstanding the foregoing, if the minimum Spouse’s Pension is payable under the provisos in paragraphs (a) or (b) of Section 5.1, paragraph (a) of Section 5.2, or Section 5.3, then the reduction shall be 1% for each year by which the age difference exceeds 10 years.

- 5.5 401(k)/Social Security Reduction Amount. The amount of the minimum Spouse's Pension payable under each of the provisos in Sections 5.1(a), 5.1(b), 5.2(a) and 5.3 shall be reduced by the 401(k)/Social Security Reduction Amount, which is the amount set forth below opposite the age of the Participant at the time his Active Participation in the Plan ceases, provided that if the Participant's age is between two of the ages listed below, the corresponding 401(k)/Social Security Reduction Amount shall be calculated on a straight line basis between those two ages.

<u>Age</u>	<u>Amount</u>
58	\$35,000
60	\$44,000
65	\$65,000
70	\$75,000
75	\$85,000

The amounts set forth above are intended to approximate the Social Security offset and the offset for the 401(k) plan applicable to the benefit that was payable under the Plan prior to its amendment effective as of April 5, 2006.

- 5.6 Medical Coverage Upon Participant's Death. If the Participant dies before he has Separated from Service, then Sponsor shall provide medical coverage to the Spouse of the Participant on substantially the same terms and conditions as active employees of Sponsor, provided that (a) the Spouse bears the cost of such coverage, and (b) the Spouse is residing in the United States. The terms of such coverage shall be the same as the Medical Coverage described in Section 4.8, provided that the cost for such coverage shall be the charge imposed on active employees of Sponsor for employee only coverage.

ARTICLE VI. RESERVED

ARTICLE VII. MISCELLANEOUS PROVISIONS

- 7.1 Payments During Incapacity. In the event the Participant (or Beneficiary) is under mental or physical incapacity at the time of any payment to be made to such Participant (or Beneficiary) pursuant to this Plan, any such payment may be made to the conservator or other legally appointed personal representative having authority over and responsibility for the person or estate of such Participant (or Beneficiary), as the case maybe, and for purposes of such payment, references in this Plan to the Participant (or Beneficiary) shall mean and refer to such conservator or other personal representative, whichever is applicable. In the absence of any lawfully appointed conservator or other personal representative of the person or estate of the Participant (or Beneficiary), any such payment may be made to any person or institution that has apparent responsibility for the person and/or estate of the Participant (or Beneficiary) as determined by the Committee. Any payment made in accordance with the provisions of this Section 7.1 to a person or institution other than the Participant (or Beneficiary) shall be deemed for all purposes of this Plan as the equivalent of a payment to such Participant (or Beneficiary), and the Sponsor shall have no further obligation or responsibility with respect to such payment.

- 7.2 **Prohibition Against Assignment.** Except as otherwise expressly provided in Section 7.1 hereof or this Section 7.2, the rights, interests and benefits of the Participant under this Plan (a) may not be sold, assigned, transferred, pledged, hypothecated, gifted, bequeathed or otherwise disposed of to any other party by such Participant or any Beneficiary, executor, administrator, heir, distributee or other person claiming under such Participant, and (b) shall not be subject to execution, attachment or similar process. Any attempted sale, assignment, transfer, pledge, hypothecation, gift, bequest or other disposition of such rights, interests or benefits contrary to the foregoing provisions of this Section 7.2 shall be null and void and without effect. Notwithstanding the foregoing, the benefits of the Participant under this Plan may be assigned pursuant to a domestic relations order, as such term is defined in Code Section 414(p)(1)(B), provided, however, that this provision shall not permit an Alternate Payee, as such term is defined in Section 2.5, to accelerate the time or schedule of a payment under the Plan except as permitted under Section 3.12(c). An Alternate Payee may be assigned the benefits of the Participant under the Plan only if the domestic relations order pursuant to which the assignment is made satisfies the requirements set forth in Section 3.12(c).
- 7.3 **Binding Effect.** The Provisions of this Plan shall be binding upon the Sponsor, the Participant, all entities that constitute the Employer, and any successor-in-interest to the Sponsor, the Participant or any such entity that constitutes the Employer.
- 7.4 **No Transfer of Interest.** Benefits under this Plan shall be payable solely from the general assets of the Sponsor, and no person shall be entitled to look to any other source for payment of such benefits. The Sponsor shall have and possess all title to, and beneficial interest in, any and all funds or reserves maintained or held by the Sponsor on account of any obligation to pay benefits as required under this Plan, whether or not earmarked as a fund or reserve for such purpose; any such funds, other property or reserves shall be subject to the claims of the creditors of the Sponsor, and the provisions of this Plan are not intended to create, and shall not be interpreted as vesting, in the Participant, Beneficiary or other person, any right to or beneficial interest in any such funds, other property or reserves. Nothing in this Section 7.4 shall be construed or interpreted as prohibiting or restricting the establishment of a grantor trust within the meaning of Code Section 671 which is unfunded for purposes of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, from which benefits under this Plan may be payable.
- 7.5 **Amendment or Termination of the Plan.** The Committee may amend this Plan from time to time in any respect that it deems appropriate or desirable, and the Committee may terminate this Plan at any time; provided, however, that (a) any such amendment or termination may not, without the written consent of the Participant, eliminate or reduce the Pension that has accrued with respect to such Participant as of the effective date of such amendment or termination, and (b) in any event no such amendment or termination shall be made that would (i) cause the benefits under the Plan to be distributed earlier than the

occurrence of a permissible distributable event described in Code Section 409A(a)(2), (ii) permit the acceleration of the time or schedule of any payment under the Plan except as provided in applicable regulations under Code Section 409A, (iii) provide for an initial deferral election or subsequent change election that would not satisfy the requirements of Code Section 409A(a)(4), or (iv) otherwise cause the Plan to fail to satisfy the requirements of Code Section 409A. If the Participant has not yet Separated from Service, then for purposes of this Section 7.5, the Pension that has accrued with respect to the Participant as of the date of any amendment or termination of the Plan shall be deemed to be the Pension to which such Participant would be entitled pursuant to Article IV hereof if such Participant incurred Separation from Service immediately prior to such Plan amendment or Plan termination.

7.6 No Right to Employment. This Plan is voluntary on the part of the Employer, and the Plan shall not be deemed to constitute an employment contract between the Participant and the Employer, nor shall the adoption or existence of the Plan or any provision contained in the Plan be deemed to be a required condition of the employment of the Participant. Nothing contained in this Plan shall be deemed to give the Participant the right to continued employment with the Employer, and the Employer may terminate the Participant at any time, in which case the Participant's rights arising under this Plan shall be only those expressly provided under the terms of this Plan.

7.7 Notices. All notices, requests, or other communications (hereinafter collectively referred to as "Notices") required or permitted to be given hereunder or which are given with respect to this Plan shall be in writing and may be personally delivered, or may be deposited in the United States mail, postage prepaid and addressed as follows:

To the Sponsor or the Committee at:

Princess Cruise Lines, Ltd.
Attention: Vice President, Corporate Human Resources
24305 Town Center Drive
Santa Clarita, CA 91355

To Participant at:

The Participant's residential mailing address as reflected in the Sponsor's employment records.

A Notice which is delivered personally shall be deemed given as of the date of personal delivery, and a Notice mailed as provided herein shall be deemed given on the second business day following the date so mailed. The Participant may change his address for purposes of Notices hereunder pursuant to a Notice to the Committee, given as provided herein, advising the Committee of such change. The Sponsor and/or the Committee may at any time change its address for purposes of Notices hereunder pursuant to a Notice to all affected Participants, given as provided herein, advising such Participants of such change.

- 7.8 Governing Law. This Plan shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choice of laws, of the State of California applicable to agreements made and to be performed wholly within the State of California.
- 7.9 Titles and Headings: Gender of Terms. Article and Section headings herein are for reference purposes only and shall not be deemed to be part of the substance of this Plan or in any way to enlarge or limit the meaning or interpretation of any provision in this Plan. Use in this Plan of the masculine, feminine or neuter gender shall be deemed to include each of the omitted genders wherever the context so requires.
- 7.10 Severability. In the event that any provision of this Plan is found to be invalid or otherwise unenforceable by a court or other tribunal of competent jurisdiction, such invalidity or unenforceability shall not be construed as rendering any other provision contained herein invalid or unenforceable, and all such other provisions shall be given full force and effect to the same extent as though the invalid and unenforceable provision was not contained herein.
- 7.11 Tax Effect of Plan. Neither the Sponsor nor the Committee warrants any tax benefit or any financial benefit under the Plan. Without limiting the foregoing, the Sponsor and each Affiliated Company and their directors, officers, employees and agents shall be held harmless by the Participant from, and shall not be subject to any liability on account of, any Federal or State tax consequences or any consequences under ERISA of any determination as to the amount of Plan benefits to be paid, the method by which Plan benefits are paid, the persons to whom Plan benefits are paid, or the commencement or termination of the payment of Plan benefits.
- 7.12 Guarantee. On or about the date this Plan is restated, the Sponsor will undertake to obtain an unconditional guarantee of each and all of the obligations of Sponsor under this Plan from each of the members of the Carnival Corporation and plc Group named in the attached Exhibit A and such additional members of the Carnival Corporation and plc Group as may be identified by Sponsor for this purpose from time to time.
- 7.13 Assignment by the Sponsor. The powers, duties, rights and obligations of the Sponsor under this Plan may be assigned (a) to any company into which the Sponsor may be merged, or with which it may be consolidated, or (b) to any company resulting from any merger, reorganization or consolidation to which the Sponsor is a party, or (c) to any company to which the business of the Sponsor may be transferred, to the extent affected Participants transfer their employment to such company. If such an assignment occurs, the successor-in-interest to the Sponsor shall assume the powers, duties, rights and obligations of the Sponsor in writing.
- 7.14 Code Section 409A. Notwithstanding any other provision of the Plan to the contrary (including any provision of the Plan in effect before April 5, 2006), (a) benefits under the Plan may not be distributed earlier than the occurrence of an permissible distributable event described in Section 409A(a)(2), (b) the acceleration of the time or schedule of any payment under the Plan is not permitted except as provided in applicable regulations under Section 409A, and (c) initial deferral elections and subsequent

election changes shall be made in accordance with the provisions of Section 409A(a)(4). It is intended that this Plan be construed, administered and applied in compliance with Section 409A. For purposes of this Plan, Section 409A means Section 409A of the Code, as the same may be amended from time to time, and any successor statute thereto. References to Section 409A or any requirement under Section 409A, as the same may be interpreted, construed or applied to this Plan at any particular time, shall be deemed to mean and include, to the extent then applicable and then in force and effect (but not to the extent overruled, limited or superseded), published guidance, regulations, notices, rulings and similar announcements issued by the Internal Revenue Service or by the Secretary of the Treasury under or interpreting Section 409A, decisions by any court of competent jurisdiction involving the Participant or a Beneficiary and any closing agreement made under Section 7121 of the Code that is approved by the Internal Revenue Service and involves the Participant, all as determined by the Committee in good faith, which determination may (but shall not be required to) be made in reliance on the advice of such tax counsel or other tax professional(s) with whom the Committee may from time to time elect to consult with respect to any such matter.

IN WITNESS WHEREOF, this Plan has been executed by a duly authorized officer of Sponsor and the Participant effective as of the Restatement Effective Date.

Date: 30 December 2008

PRINCESS CRUISES LINES, LTD.

By: /s/ Alan B. Buckelew

Its: CEO

PARTICIPANT

Date: 31 December 2008

/s/ Peter G. Ratcliffe

Peter G. Ratcliffe

EXHIBIT A
GUARANTEEING COMPANY

Carnival Corporation

EXHIBIT B
SECTION 409A AMENDMENTS - EFFECTIVE JANUARY 1, 2005

Notwithstanding any other provision of the Plan to the contrary (including any provision of the Plan in effect before April 5, 2006), effective January 1, 2005 the provisions of Section 7.14 of this 2008 Restatement shall apply to the extent necessary to bring the Plan into compliance with Section 409A. So for example, (a) payment of a Plan benefit shall be delayed in accordance with Section 409A(a)(2)(B) if the Participant is determined to be a specified employee, as such term is defined in Section 409A(a)(2)(B), (b) payment of a Supplemental Benefit at the Participant's Retirement shall be made only if such Retirement constitutes a Separation from Service, (c) the Surviving Spouse's right to delay the commencement of benefits upon the death of the Participant in accordance with Section 5.4 of the Plan as in effect before April 5, 2006 is no longer effective as of January 1, 2005. The Plan shall be operated in good faith compliance with the provisions of Section 409A including IRS Notice 2005-1.

**AMENDMENT TO THE CARNIVAL CORPORATION
NONQUALIFIED RETIREMENT PLAN FOR HIGHLY COMPENSATED EMPLOYEES**

Carnival Corporation Nonqualified Retirement Plan For Highly Compensated Employees is hereby amended, effective December 31, 2008, unless otherwise stated, as follows (additions bold-underlined, deletions struck-through):

(1) The second paragraph of the Preamble is amended, effective January 1, 2005, to read as follows:

The Plan was amended to comply with Section 409A of the Internal Revenue Code of 1986, as amended and any regulations and other official guidance (the "Code") thereunder. With respect to amounts accrued hereunder that are subject to Section 409A (generally, amounts accrued **or vested** on and after January 1, 2005), applicable provisions of the Plan document shall be interpreted to permit the accrual of benefits in accordance with Code Section 409A, and any provision that would conflict with such requirements shall not be valid or enforceable. In addition, with respect to amounts accrued hereunder that are not subject to Section 409A (generally, amounts accrued before January 1, 2005 and earnings thereon) ("grandfathered funds"), it is intended that the rules applicable under the Plan as of December 31, 2004, and not Code Section 409A and related official guidance, shall apply with respect to such grandfathered funds. For purposes of determining whether Section 409A is applicable with respect to an amount, in accordance with Prop. Treas. Reg. § 1.409A-6(a) (and subsequent related guidance), the amount is considered accrued before January 1, 2005 if before January 1, 2005 (i) the Participant had a legally binding right to be paid the amount, and (ii) the right to the amount was earned and vested.

(2) Section 1.3 of the Plan is amended, effective January 1, 2005, to read as follows:

Affiliated Company – means (a) a member with an Employer of a controlled group of corporations, (b) an unincorporated trade or business which is under common control with an Employer as determined in accordance with Section 414(c) of the Code, or (c) a member with an Employer of an affiliated service group, as defined in Section 414(m) of the Code. A corporation or an unincorporated trade or business shall not be considered an Affiliated Company during any period it does not satisfy clause (a), (b), or (c) of this definition. For purposes of this definition, a "controlled group of corporations" is a controlled group of corporations as defined in Section 414(b) of the Code. **For purposes of this definition, any reference to 80% under Section 414(b) & (c) and accompanying regulations shall be replaced with 20%.**

(3) The following is inserted as Section 1.32 of the Plan, effective January 1, 2005, and all subsequent sections are re-numbered accordingly:

Specified Employee – a Participant who, as of the date of such Participant's Termination of Employment, is a key employee (as defined under Code Section 416(i)) of the Company. A Participant is a key employee if the Participant is a key employee at any time during the twelve (12) month period ending on the specified employee identification date. For purposes of

determining Specified Employees, the specified employee identification date shall be December 31 and the definition of “compensation” shall be the amount to be reported as wages, tips, or other compensation in Box 1 on the Participant’s Form W-2 for income tax purposes for the Plan Year, including amounts that are not currently includible in the Participant’s gross income by reason of the application of Sections 125 or 132(f) of the Code, and excluding any severance pay paid during such Plan Year. This definition of compensation is not taken into account for purposes of calculating benefits under the Plan, and is used solely for purposes of identifying Specified Employees.

(4) Section 6.1 of the Plan is amended to read as follows:

6.1 Election of Form of Distribution. Subject to Section 6.4, a Participant shall be entitled to elect, subject to Section 6.7, to receive distribution of his Vested Interest in one of the following methods:

- (a) ~~Life with 5-Year Certain Benefit~~ — an annuity for the life of the Participant, but if the Participant dies within 5 years of his Annuity Starting Date, the annuity is payable to the Participant’s Beneficiary for the remainder of that 5-year period;
- (b) ~~Life with 10-Year Certain Benefit~~ — an annuity for the life of the Participant, but if the Participant dies within 10 years of his Annuity Starting Date, the annuity is payable to the Participant’s Beneficiary for the remainder of that 10-year period;
- (c) ~~Qualified Joint and Survivor Annuity~~ — an annuity for the life of the Participant with a survivor annuity for the life of the Participant’s spouse, where the survivor annuity is either 50% or 100% of the amount payable during the joint lives of the Participant and the Participant’s spouse;
- (a)(d) Single cash distribution of the full amount payable - the Actuarial Equivalent present value of the Participant’s Vested Interest payable at his Normal Retirement Date. This method will become available only after January 1, 1994 for any Participant or Beneficiary entitled to but not yet receiving monthly payments and only upon the attainment of a Participant’s Early Retirement Age; **or**
- (b) **Equal monthly payments – the number of monthly payments are determined from the first day of the month following the date of Termination of Employment through December 31, 2017.**

A Participant’s Vested Interest as of December 31, 2008 shall be paid out by December 31, 2017. Any remaining payments owed to the Participant from the Participant’s Vested Interest as of December 31, 2008, under any form elected above, shall be paid in the form of a lump sum by December 31, 2017, regardless of whether the Participant is still employed with the Company.

If the Participant elects a Lump Sum, such election must be made no later than the December 31, preceding the Participant’s Early Retirement Date. The Participant’s election of a lump sum shall designate the date that such benefit shall be distributed which in no event shall be before the Participant’s Early Retirement Date, **unless the Participant’s Early Retirement Date**

~~occurs subsequent to December 31, 2017. In the absence of an effective election under this Section 6.1, subject to Section 6.7, a Participant shall be deemed to have elected a distribution in the form of a lump sum 50% Qualified Joint and Survivor Benefit if Participant is married at time benefits are to begin or the Life with 5-Year Certain Benefit if Participant is not married at time benefits are to begin. A Participant may change his or her election after the Participant's Early Retirement Date only if such change is effective more than one year after the date of the change and only if the Retirement Committee, in its discretion, decides to honor the Participant's election. The Retirement Committee may in any event honor a Participant's election or may choose any other form or timing of distribution.~~

With respect to amounts accrued that are subject to Section 409A (generally, amounts accrued on and after January 1, 2005) a request for a change in the form and timing of a distribution election must occur at least twelve (12) consecutive months prior to the date on which such distribution will be made or commence and the payment with respect to an amended distribution election is deferred for a period of not less than 5 years from the date such payment would otherwise have been paid (or, in the case of installment payments, 5 years from the date the first amount was scheduled to be paid).

Notwithstanding the foregoing, and in accordance with Code Section 409A and any guidance issued thereunder, a Participant may make an election to change the timing of a payment of amounts subject to Code Section 409A on or before December 31, 2007, provided that the change in election (1) is for amounts not otherwise payable in 2007, and (2) does not cause an amount to be paid from a Participant's Account in 2007.

Notwithstanding the foregoing, and in accordance with Code Section 409A and any guidance issued thereunder, a Participant may make an election to change the timing of a payment of amounts subject to Code Section 409A on or before December 31, 2008, provided that the change in election (1) is for amounts not otherwise payable in 2008, and (2) does not cause an amount to be paid from a Participant's Account in 2008.

- (5) The following language is added at the end of Section 6.1 of the Plan, effective January 1, 2005, to read as follows:

Notwithstanding anything herein to the contrary, and solely with respect to amounts deferred under the Plan that are subject to Section 409A of the Code, payment shall not be made or commence to be made to any Participant who is a Specified Employee as a result of the Participant's Termination of Employment before the date that is not less than six months after the date of Termination of Employment (or, if earlier, the date of death of the Participant).

If a Participant accrues a vested benefit, for any Plan Year beginning on or after January 1, 2009, such vested benefit will be paid in a lump sum to the Participant no later than two and one-half months following the year such vested benefit was accrued, assuming the Participant is still employed by the Employer as of the payment date.

(6) Section 6.3 of the Plan is amended to read as follows:

~~Timing of Distribution: Annuity Starting Date.~~ Notwithstanding the remainder of this Section 6.3 or Section 6.4, no distributions shall be made to any Participants prior to January 1, 1994.

~~Distribution of a Participant's Vested Interest shall commence as of his Annuity Starting Date. A Participant's Annuity Starting Date shall be the earliest of (a) the first day of the month coincident with or next following the day of the Participant's Retirement, or (b) the first day of the month coincident with or next following the day of the Participant's termination of employment (if as of that date the Actuarial Equivalent present value of his Vested Interest does not exceed the amount in Section 6.2). In no event, unless the Participant elects otherwise, shall distribution of a Participant's Vested Interest commence later than 60 days after the latest of the last day of the Plan Year in which occurs (1) the Participant's Retirement, (2) the earlier of the day the Participant attains his Normal Retirement Date, or (3) the tenth anniversary of the Participant's participation in the Plan.~~

Notwithstanding the above, solely with regard to Howard Frank, an in-service withdrawal of Mr. Frank's benefit, to be distributed on a date selected by Mr. Frank, shall be permitted to be made on or after January 1, 2008, subject to Section 409A of the Internal Revenue Code and applicable guidance. **Further, any benefit accrual on or after January 1, 2008 shall be paid to Howard Frank no later than two and one-half months following the year such benefit is accrued.**

(7) Sections 6.4, 6.7, 6.8, 6.9 and 6.10 are stricken from the Plan.

(8) Section 7.2 of the Plan is amended, effective January 1, 2005, to read as follows:

Form of Preretirement Death Benefit.

(a) Subject to the following sentences, the Participant's Preretirement Death Benefit under Section 7.1(a) shall be paid to the Participant's spouse in accordance with the Participant's most recent distribution election under Section 6.1, ~~or if no such election is in place, then in the form of an Qualified Preretirement Survivor Annuity. If the Actuarial Equivalent present value of the Participant's Preretirement Death Benefit as of the Annuity Starting Date exceeds the amount defined in Section 6.2 (the "Minimum Amount"), the Participant's spouse may elect (during the period beginning on the day the Participant dies and ending on the day distribution of benefits commences) to receive~~ **Such distribution shall be** a Preretirement Death Benefit which is the Actuarial Equivalent of the full amount otherwise payable as a Qualified Preretirement Survivor Annuity in the form of a single cash distribution. ~~If the Actuarial Equivalent present value of a Participant's Qualified Preretirement Survivor Annuity as of the Annuity Starting Date does not exceed the Minimum Amount, the method of distribution to the Participant's spouse of the Preretirement Death Benefit shall be as a single cash distribution which is the Actuarial Equivalent of the full amount payable.~~

(b) Single Participant Death Benefit. A Participant's Preretirement Death Benefit under Section 7.1(b) shall be paid to his Beneficiary in accordance with the Participant's most recent distribution election under Section 6.1, ~~or if no such election is in place,~~ in the form of single cash distribution. The single cash distribution shall be equal to the Actuarial Equivalent present value of fifty percent (50%) of a Life with 5-Year Certain Benefit payable at the Participant's Normal Retirement Date.

(9) Section 7.3(a) of the Plan is amended, effective January 1, 2005, to read as follows:

Timing of Distribution; Annuity Starting Date. Notwithstanding the remainder of this Section 7.3, no distributions shall be made to the Participant's spouse prior to January 1, 1994.

(a) Distribution of a Participant's Preretirement Death Benefit under Section 7.1(a) shall **be paid on the 90th day following the date of the Participant's death** commence as of the ~~Annuity Starting Date of the Participant's spouse. The Annuity Starting Date of the Participant's spouse shall be the earliest of (a) in the case of a Participant who dies on or after his Early Retirement Date, the first day of the month coincident with or next following the Participant's death, (b) in the case of a Participant who dies after attaining age 55 with less than 15 Vesting Years of Service and the Actuarial Equivalent present value of the Participant's Preretirement Death Benefit exceeds the Minimum Amount, the first day of the month coincident with or next following the Participant's Normal Retirement Date had the Participant lived, (c) in the case of a Participant who dies before attaining age 55 but after earning 15 or more years of Vesting Years of Service and the Actuarial Equivalent present value of the Participant's Preretirement Death Benefit exceeds the Minimum Amount, the first day of the month coincident with or next following the Participant's Early Retirement Date had the Participant lived, (d) in the case of a Participant who dies before attaining age 55 with less than 15 years of service and the Actuarial Equivalent present value of the Participant's Preretirement Death Benefit exceeds the Minimum Amount, the first day of the month coincident with or next following the Participant's Normal Retirement Date had the Participant lived, or (e) in the case of a Participant who dies before his or her Early Retirement Date and the Actuarial Equivalent present value of his or her Preretirement Death Benefit does not exceed the Minimum Amount, the first day of the month coincident with or next following the Participant's death.~~

(10) Section 13.1 of the Plan is amended, effective January 1, 2008, to read as follows:

Amendment/Termination. The Board may amend or terminate this Plan at any time. ~~However, to the extent the Plan is terminated for any reason other than as provided in section 14.10 of the Plan, all Participants will be 100 percent vested in their benefit as of the date of Plan Termination.~~

Notwithstanding anything herein to the contrary, in no event shall any amendment or modification be made in a manner that is inconsistent with the requirements under Section 409A of the Code, nor shall any amendment, modification or other act or exercise be effective which involves an unintentional material modification (within the meaning of Code Section 409A and related official guidance) with respect to Code Section 409A grandfathered funds (generally, amounts deferred before January 1, 2005).

**AMENDMENT TO THE CARNIVAL CORPORATION
FUN SHIP NONQUALIFIED SAVINGS PLAN**

Carnival Corporation Fun Ship Nonqualified Savings Plan is hereby amended, effective December 31, 2008, unless stated otherwise, as follows (additions bold-underlined, deletions struck-through):

(1) The third and fourth paragraph of the Preamble are amended to read as follows:

With respect to amounts deferred hereunder that are subject to Section 409A of the Internal Revenue Code of 1986, as amended and any regulations and other official guidance (the "Code") (generally, amounts deferred or vested on and after January 1, 2005), applicable provisions of the Plan document shall be interpreted to permit the deferral of compensation in accordance with Code Section 409A, and any provision that would conflict with such requirements shall not be valid or enforceable. In addition, with respect to amounts deferred hereunder that are not subject to Section 409A (generally, amounts deferred before January 1, 2005 and earnings thereon) ("grandfathered funds"), it is intended that the rules applicable under the Plan as of December 31, 2004, and not Code Section 409A and related official guidance, shall apply with respect to such grandfathered funds. For purposes of determining whether Section 409A is applicable with respect to an amount, in accordance with Prop. Treas. Reg. § 1.409A-6(a) (and subsequent related guidance), the amount is considered deferred before January 1, 2005 if before January 1, 2005 (i) the Participant had a legally binding right to be paid the amount, and (ii) the right to the amount was earned and vested and was credited to the Participant's Account balance.

This restatement of The Carnival Corporation Fun Ship Nonqualified Savings Plan includes all amendments through ~~January 1, 2006~~ **December 31, 2008**.

(2) Section 2.1 of the Plan is amended, effective January 1, 2005, to read as follows:

Affiliated Company. Affiliated Company means (a) a member with an Employer of a controlled group of corporations, (b) an unincorporated trade or business which is under common control with an Employer as determined in accordance with Section 414(c) of the Code, or (c) a member with an Employer of an affiliated service group, as defined in Section 414(m) of the Code. A corporation or an unincorporated trade or business shall not be considered an Affiliated Company during any period it does not satisfy clause (a), (b), or (c) of this definition. For purposes of this definition, a "controlled group of corporations" is a controlled group of corporations as defined in Section 414(b) of the Code. **For purposes of this definition, any reference to 80% under Section 414(b) & (c) and accompanying regulations shall be replaced with 20%.**

(3) Section 2.18 of the Plan is amended, effective January 1, 2005, to read as follows:

Permanent Disability. Permanent Disability means a Participant's disability that, ~~in the discretion of the Committee or its delegate, causes the Participant to be completely unable to perform any and every duty pertaining to his employment with the Company or an Affiliated Company, provided, however, a Participant will not be considered to have a Permanent Disability~~

if: (a) such Participant is engaged in any occupation or employment for wage or profit or (b) such disability is the result of an intentionally self-inflicted injury, participating in a riot, committing a felony or any type of assault or engaging in an illegal occupation or illegal conduct **is defined below and determined in a manner consistent with Code Section 409A and the regulations thereunder:**

The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

A Participant will be deemed to have suffered a Disability if determined to be totally disabled by the Social Security Administration. In addition, the Participant will be deemed to have suffered a Disability if determined to be disabled in accordance with a disability insurance program maintained by the Company provided that the definition of disability applied under such disability insurance program complies with the requirements of Code Section 409A and the regulations thereunder.

(4) Section 2.25 of the Plan is amended, effective January 1, 2005, to read as follows:

Severe Financial Hardship. Severe Financial Hardship means a severe financial hardship that includes (a) **a hardship that results from an illness or accident of unreimbursed health care expenses described in section 213(d) of the Code for the Participant, his or her spouse, beneficiary or any of the Participant's dependents (as defined in Section 152 of the Code, without regard to Section 152(b)(1), (b)(2), and (d)(1)(B));** (b) **loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance)** reasonable costs related to the purchase of the Participant's primary residence; (c) tuition payment for 12 months of post-secondary education (not to include trade schools, beauty college, etc.) for the Participant, his or her spouse or dependents; and (d) (c) payments necessary to prevent the eviction of the Participant from his or her primary residence or foreclosure on the mortgage of that residence; **or (d) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.**

(5) The following is inserted as Section 2.26 of the Plan, effective January 1, 2005, and all subsequent sections are re-numbered accordingly:

Specified Employee. Specified Employee means a Participant who, as of the date of such Participant's Termination of Employment, is a key employee (as defined under Code Section 416(i)) of the Company. A Participant is a key employee if the Participant is a key employee at any time during the twelve (12) month period ending on the specified employee identification date. For purposes of determining Specified Employees, the specified employee identification date shall be December 31 and the definition of "compensation" shall be the amount to be reported as wages, tips, or other compensation in Box 1 on the Participant's Form W-2 for income tax purposes for the Plan Year, including amounts that are not currently includible in the Participant's gross income by reason of the application of Sections 125 or 132(f) of the Code, and excluding any severance pay paid during such Plan Year. This definition of compensation is not taken into account for purposes of calculating benefits under the Plan, and is used solely for purposes of identifying Specified Employees.

(6) The first paragraph of Section 3.2 of the Plan is amended, effective January 1, 2005, to read as follows:

Commencement of Participation. Each Eligible Employee shall be provided an opportunity to irrevocably designate the percentage of his Compensation to be deferred under Section 4.1 and to irrevocably designate the percentage or dollar amount of his annual Bonus to be deferred under Section 4.4 (“Bonus Deferral”). Any such Eligible Employee ~~who makes such a designation~~ shall become a Participant **as soon as administratively practicable following such a designation on the first day of the payroll period that coincides with or immediately follows the first day of the calendar quarter subsequent to the Retirement Committee’s determination of Eligible Employee status under Section 3.1,** provided the Eligible Employee is employed as of such date. Effective January 1, 2001, any such Eligible Employee who makes such a designation shall become a Participant on the first day of the payroll period immediately subsequent to the Retirement Committee’s determination of Eligible Employee status under Section 3.1, provided the Eligible Employee is employed as of such date. Effective on and after January 1, 2005, in the first year in which a Eligible Employee becomes eligible to participate in the Plan, the Eligible Employee may make a deferral election with respect to compensation for services to be performed subsequent to the election provided the election is made within 30 days after the date the Eligible Employee becomes eligible to participate **(so long as the Participant is not eligible to participate in another plan of a similar type maintained by the Company or Affiliated Company).** In the case of all other Eligible Employees, including any new Eligible Employee who fails to make an election within the 30-day period described above, deferral elections must be made no later than December 31 (or such other earlier date designated by the Company) of the year before the year the services related to the deferral election are to be performed. **Effective on and after January 1, 2009, a Participant may not elect to make Employee Deferral Contributions to the Plan, and the Employer may not make Employee Deferral Contributions to the Plan.**

(7) Section 3.3 of the Plan is amended, effective January 1, 2005, to read as follows:

Cessation of Participation. A Participant shall cease to be a Participant as of the day all distributions to the Participant and the Participant’s Beneficiaries have been made or upon the determination by the Retirement Committee that the Participant is no longer an Eligible Employee, **provided that such determination shall not affect deferral elections in effect during the year of the determination.**

(8) Section 4.1 of the Plan is amended to read as follows:

Employee Deferral Contributions. **Effective on or before December 31, 2008, each** Each Participant may authorize the Employer by which he is employed, in the manner described in Section 3.2, to have an Employee Deferral Contribution made on his behalf. Such election shall apply to the Participant’s Eligible Earnings attributable to services performed during the designated future period covered by the election, as provided in Section 3.2. Such Employee Deferral Contribution shall be a stated whole percentage of the Participant’s Eligible Earnings, equal to not less than 1% nor more than 100%, as designated by the Participant. Effective January 1, 2002, notwithstanding a Participant’s designated deferral percentage, the amount of a Participant’s Employee Deferral Contribution shall not exceed the net result of the Participant’s Eligible Earnings less any amounts required to be withheld from such

Participant's Eligible Earnings including amounts pursuant to any pre-tax elections under Code Sections 125 or 132(f) and such other amounts as designated by the Retirement Committee or its designee. Except as otherwise provided herein and in accordance with Code Section 409A and related official guidance, a Participant's annual Salary Deferrals election shall be irrevocable for such calendar year. **Effective on and after January 1, 2009, a Participant may not elect to make Employee Deferral Contributions to the Plan, and the Employer may not make Employee Deferral Contributions to the Plan.**

(9) Section 4.2 of the Plan is amended to read as follows:

Changes in Contributions. Effective on or before December 31, 2008, a Participant may change his contribution percentage election under Section 4.1 at any time by applying to make such change in the manner prescribed by the Committee. Prior to January 1, 2005, any such change shall become effective as of the first full payroll period that begins coincident with or immediately following the first day of the calendar quarter following the date the Participant applies to make such change.

Effective January 1, 2001 **and prior to January 1, 2009,** any change in contribution percentage election under this Section 4.2 shall become effective as of the first day of the payroll period immediately following the date the Participant applies to make such change.

On and after January 1, 2005, except as otherwise provided herein and permitted pursuant to Code Section 409A and related official guidance, elections to change an Eligible Earnings deferral percentage for a year which are submitted after January 1 of such year shall not be permitted.

(10) Section 4.3 of the Plan is amended to read as follows:

Suspension of Contributions. Effective on or before December 31, 2008 ~~Except as provided below,~~ a Participant may suspend his Employee Deferral Contributions at any time by applying for a suspension in the manner prescribed by the Committee, and any such suspension shall become effective as soon as administratively practicable following the date the Participant applies for the suspension. A Participant whose Employee Deferral Contributions have been suspended under this subsection may resume having Employee Deferral Contributions made on his behalf by submitting a deferral election in accordance with Section 4.1. On and after January 1, 2005 **and prior to January 1, 2009,** except as otherwise permitted pursuant to Code Section 409A and related official guidance, any such suspension request shall not become effective before the first day of the **calendar** year following the date the Participant applies for the suspension.

(11) Section 4.4 of the Plan is amended to read as follows:

Bonus Deferrals. By November 30 of each year, and except as provided below with respect to performance-based bonuses, each Participant may authorize, in the manner authorized by the Retirement Committee, to defer a portion of his Bonus that would otherwise be payable for services performed in the twelve-month period beginning on the December 1 immediately following such November 30. In the case of any Bonus that is designated by the Employer as a performance-based Bonus and which qualifies as

performance-based compensation under Code Section 409A and related official guidance, a Participant's deferral election with respect to all or a portion of his or her Bonus must be made, in writing to the Company on an approved form, no later than May 31 of the 12-month period beginning on the December 1 immediately preceding such May 31 or such other earlier date designated by the Company. Except as otherwise provided herein and in accordance with Code Section 409A and related official guidance, a Participant's election to defer a Bonus shall be irrevocable for such calendar year. **Effective on and after January 1, 2009, a Participant may not elect to defer all or a part of her Bonus under the Plan.**

(12) Section 5.1 of the Plan is amended to read as follows:

Matching Contributions. An Eligible Employee shall become a Participant for purposes of this Section 5.1 only after being credited with at least 1,000 Hours of Service in the 12-month period commencing with the first day on which he is credited with an Hour of Service or in any Plan Year that commences after such day. Once such Eligible Employee becomes a Participant, his Employer shall contribute an amount equal to 50% of the Participant's Employee Deferral Contributions, up to a maximum amount that does not exceed the lesser of (1) 50% of the applicable dollar limit in effect under Code Section 402(g)(5) for such Plan Year, or (2) 50% of 6% of the Participant's Eligible Earnings for such Plan Year. Matching Contributions shall be made as soon as practicable after the end of each payroll period. **Effective on and after January 1, 2009, an Employer shall not contribute Matching Contributions under the Plan.**

(13) Section 5.3 of the Plan is amended to read as follows:

Profit-Sharing Contributions. An Eligible Employee who is not a participant in The Carnival Corporation Fun Ship Savings Plan shall be eligible for an allocation of a Profit-Sharing Contribution under this Section 5.3 only after being credited with at least 1,000 Hours of Service in the 12-consecutive month period commencing with the first day on which he is credited with an Hour of Service or in any Plan Year that commences after such day. Following the end of each Plan Year, the Employers, at their discretion, shall contribute to the Account of each Eligible Participant (as defined below) an amount equal to a specified percentage of such Participant's Eligible Earnings, according to each Participant's Years of Service, determined as of the end of such Plan Year, under the following schedule:

<u>Years of Service</u>	<u>Percent of Eligible Earnings</u>
Less than 2	0%
2 – 5	1%
6 – 9	2%
10 – 13	3%
14 – 16	5%
17 – 19	7%
20 – 22	9%
23 – 25	12%
26 or more	15%

For purposes of this Section 5.3, the term "Eligible Participant" shall mean, with respect to any Plan Year, each Participant who is credited with a Year of Service for such Plan Year is not eligible to receive a contribution under the Carnival Corporation Fun Ship Qualified Savings Plan, and either died or became disabled during the Plan Year or is employed by the Employer on the last calendar day of such Plan Year.

Effective January 1, 2009, in addition to the Profit-Sharing Contribution each Participant may receive based on the above schedule, the Employer, at their discretion, shall contribute to the Account of each Eligible Participant an amount equal to the lesser of fifty percent (50%) of the IRC Section 402(g) limit for the applicable Plan Year and three percent (3%) of Eligible Earnings.

Effective for distribution of Profit-Sharing Contributions earned on or after January 1, 2009, a Participant must be employed with the Company on the date such distribution is paid to the Participant.

(14) Section 7.1 of the Plan is amended to read as follows:

Form and Timing of Distribution. Each Participant shall elect the form and timing of the distribution with respect to the entire vested portion of his Participant Account at such time and in the manner authorized by the Retirement Committee. ~~A distribution of a Participant's account balance attributable to Matching and Profit Sharing Contributions shall be made the later of: (i) Termination of Employment or (ii) specific month and year, and in no event shall Matching and Profit Sharing Contributions be distributed while a Participant is an Employee of the Company or Carnival plc. Any distribution election made under this Plan shall supersede any form and timing distribution election made under the Carnival Corporation Nonqualified Deferred Compensation Plan.~~

Failure to make a designation under Section 3.2(e) shall result in the Participant's account to be distributed as soon as administratively practicable following the Participant's Termination of Employment and such distribution will be in the form of a lump sum.

(a) Form of Payment: A Participant shall have his Participant account, attributable to Participant Contributions only, paid to him in a lump sum or in monthly amounts as soon as administratively practicable following such Termination of Employment or earlier as elected by the Participant below. ~~The Participant's election shall indicate the form of distribution of the entire vested portion of his Participant Account in a lump sum or monthly installments over 5, 10, 20 or 30 years.~~

(b) Time of Payment: The Participant's election shall indicate that payment of amounts vested, prior to January 1, 2009, in a Participant's Account shall be made ~~(in the case of a lump sum election) or shall commence (in the case of an installment election):~~

(1) as soon as administratively practicable following the Participant's Termination of Employment; or

~~(2) in the month following the earlier of (A) the Participant's attainment of age 55 and 15 Years of Service, or (B) the Participant's attainment of age 65, provided that the Participant is no longer employed as of such date; or~~

~~(3) (2) in a specific month and year (no later than December 31, 2017).~~

If the Participant elects distribution to occur in accordance with (b)(2) and such specific month and year would occur following Termination of Employment, distribution will commence in accordance with (3)(2). If the events stated in (b)(1) and (b)(2) of this Section have not occurred by December 31, 2017, the Participant shall receive a lump sum distribution of all amounts in his Participant Account that were vested prior to January 1, 2009 by no later than December 31, 2017.

~~Notwithstanding the foregoing, if a Participant elects his distribution to be made or commenced in accordance with paragraph (2) above, and such date falls before the Participant's Termination of Employment, the Participant's distribution shall be made or commenced in accordance with paragraph (1) above. Further, if a Participant elects his distribution to be made or commenced in accordance with paragraph (3) above, and such date falls before the Participant's Termination of Employment, the Participant must complete new designations and authorizations pursuant to Section 3.2 in order to continue making Employee Deferral Contributions and/or Bonus Deferrals, and to continue receiving Matching Contributions and/or Profit Sharing Contributions on his behalf.~~

Notwithstanding the foregoing, subject to the approval of the Retirement Committee, a Participant may change his form and timing election applicable to his Participant Account once every five years, provided that such request to change is made at least twelve (12) consecutive months prior to the date on which such distribution would otherwise have been made or commenced and solely with respect to amounts deferred under the Plan which are subject to Code Section 409A (generally, amounts deferred on and after January 1, 2005) the request for change is at least twelve (12) consecutive months prior to the date on which such distribution will be made or commence and the payment with respect to an amended distribution election is deferred for a period of not less than 5 years from the date such payment would otherwise have been paid ~~(or, in the case of installment payments, 5 years from the date the first amount was scheduled to be paid).~~

Notwithstanding the foregoing, and solely with respect to amounts deferred under the Plan which are not subject to Code Section 409A (generally, amounts deferred before January 1, 2005), if the value the vested portion of a Participant's Account is \$5,000 or less as of the Participant's Termination of Employment, the Participant shall be the paid the entire vested portion of his Account as a lump sum as soon as administratively practicable following the Participant's Termination of Employment.

Notwithstanding the foregoing, and in accordance with Code Section 409A and any guidance issued thereunder, a Participant may make an election to change the timing of a payment of amounts subject to Code Section 409A on or before December 31, 2007, provided that the change in election (1) is for amounts not otherwise payable in 2007, and (2) does not cause an amount to be paid from a Participant's Account in 2007.

Notwithstanding the foregoing, and in accordance with Code Section 409A and any guidance issued thereunder, a Participant may make an election to change the timing of a payment of amounts subject to Code Section 409A on or before December 31, 2008, provided that the change in election (1) is for amounts not otherwise payable in 2008, and (2) does not cause an amount to be paid from a Participant's Account in 2008.

Matching Contributions and Profit Sharing Contributions earned prior to January 1, 2009 and vested on or after January 1, 2009 shall be paid in the form of a lump sum to the Participant no later than two and one-half months following the year such amounts become vested. Profit Sharing Contributions earned on or after January 1, 2009 shall be paid in the form of a lump sum to the Participant no later than two and one-half months following the year such amounts become vested. If a Participant has not satisfied the vesting schedule in Section 5.4 for Profit Sharing Contributions earned on or after January 1, 2009, no interest shall accrue on amounts earned prior to satisfying such vesting schedule.

(15) The following language is added to the end of Section 7.1 of the Plan, effective January 1, 2005, as follows:

Notwithstanding anything herein to the contrary, and solely with respect to amounts deferred under the Plan that are subject to Section 409A of the Code, payment shall not be made or commence to be made to any Participant who is a Specified Employee as a result of the Participant's Termination of Employment before the date that is not less than six months after the date of Termination of Employment (or, if earlier, the date of death of the Participant).

(16) Section 7.2 of the Plan is amended, effective January 1, 2005, to read as follows:

Distribution after Death. Notwithstanding the foregoing, if a Participant dies prior to receiving the entire amounts in his Account, the remaining vested amounts shall be paid in a lump sum to the Participant's Beneficiary designated on the Election Agreement **on the 90th day following the date** ~~as soon as~~ practicable following the end of the month in which the Retirement Committee is notified of the Participant's death. The amount of any such distribution shall be determined as of the Valuation Date in the month in which the Retirement Committee is notified.

(17) Section 7.5 of the Plan is amended, effective January 1, 2008, to read as follows:

Distribution Due to De Minimis Amounts. Upon the Participant's Termination of Employment, if such Participant's Account balance total (including all subaccounts) is **\$5,000** ~~\$10,000~~ or less, the Participant shall be paid in a lump sum payment, as soon as administratively practicable following Termination of Employment but not later than the 15th day of the third month following the Participant's Termination of Employment or December 31 of the calendar year in which the Participant incurs a Termination of Employment, whichever is later.

AMENDMENT TO
THE CARNIVAL CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Carnival Corporation Supplemental Executive Retirement Plan (the "Plan") is hereby amended as follows, effective December 31, 2008, unless otherwise stated (additions bold-underlined, deletions struck-through):

(1) The following is inserted as Section 1.15, effective January 1, 2005, and all subsequent sections are re-numbered accordingly:

Specified Employee means a Participant who, as of the date of such Participant's Termination of Employment, is a key employee (as defined under Code Section 416(i)) of the Company. A Participant is a key employee if the Participant is a key employee at any time during the twelve (12) month period ending on the specified employee identification date. For purposes of determining Specified Employees, the specified employee identification date shall be December 31 and the definition of "compensation" shall be the amount to be reported as wages, tips, or other compensation in Box 1 on the Participant's Form W-2 for income tax purposes for the Plan Year, including amounts that are not currently includible in the Participant's gross income by reason of the application of Sections 125 or 132(f) of the Code, and excluding any severance pay paid during such Plan Year. This definition of compensation is not taken into account for purposes of calculating benefits under the Plan, and is used solely for purposes of identifying Specified Employees.

(2) Section 3.1 of the Plan is amended to read as follows:

Plan Benefits. The annual benefit under this Plan to which an eligible Participant or his or her Beneficiary shall be entitled shall be determined as follows:

(A) 50% of final pay ("final pay" shall mean a Participant's highest Compensation in any twelve month period within the last sixty months) reduced proportionately for each Year of Service less than 25.

minus

(B) The amount of benefits payable to the Participant under the Company's Retirement Plan;

minus

The Participant's Primary Social Security Amount (as defined in the Retirement Plan) at the social security retirement age (determined without regard to such Participant's election to receive social security benefits prior to social security retirement age).

If a Participant accrues a vested benefit, for any Plan Year beginning on or after January 1, 2009, such vested benefit will be paid in a lump sum to the Participant in January following the year such vested benefit was accrued.

(3) The following language is added at the end of Section 5.1(A) of the Plan, effective January 1, 2008:

Notwithstanding the foregoing, and in accordance with Code Section 409A and any guidance issued thereunder, a Participant may make an election to change the form of payment of amounts subject to Code Section 409A on or before December 31, 2008, provided that the change in election (1) is for amounts not otherwise payable in 2008, and (2) does not cause an amount to be paid from a Participant's Account in 2008.

(4) Section 5.1(B) of the Plan is amended to read as follows:

- B. *Timing of Payment:* The Participant's election shall indicate that payment shall be made (in the case of a lump sum election) or shall commence (in the case of an installment election):
1. as soon as administratively practicable following the Participant's Termination of Employment;
 2. as soon as administratively practicable following the calendar year of the Participant's Termination of Employment;
 3. in the month following the earlier of (A) the Participant's attainment of age 55 and 15 Years of Service, or (B) the Participant's attainment of age 65; or
 4. in a specific month and year.

Notwithstanding the foregoing, and in accordance with Code Section 409A and any guidance issued thereunder, a Participant may make an election to change the timing of a payment of amounts subject to Code Section 409A on or before December 31, 2007, provided that the change in election (1) is for amounts not otherwise payable in 2007, and (2) does not cause an amount to be paid from a Participant's Account in 2007.

Notwithstanding the foregoing, effective January 1, 2009, all amounts accrued under the Plan for a Participant for Plan Years beginning prior to January 1, 2009 shall be paid no later than December 31, 2017.

Notwithstanding anything herein to the contrary, and solely with respect to amounts under the Plan that are subject to Section 409A of the Code, payment shall not be made or commence to be made to any Participant who is a Specified Employee as a result of the Participant's Termination of Employment before the date that is not less than six months after the date of Termination of Employment (or, if earlier, the date of death of the Participant).

If a Participant has elected two forms of payment under Section 5.1A, the Participant may separately elect the timing of payment of each of those forms under this Section 5.1B.

Notwithstanding the foregoing, if a Participant elects his distribution to be made or commenced in accordance with paragraph (3) above, and such date falls before the Participant's Termination of Employment, the Participant's distribution shall be made or commenced in accordance with paragraph (1) above. Notwithstanding the foregoing, subject to the approval of the Company, a Participant may change his form and timing election applicable to his benefit, provided that such request to change is made at least twelve (12) consecutive months prior to the date on which such distribution would have otherwise been made on or commenced. Solely with respect to amounts accrued under the Plan which are subject to Code Section 409A (generally, amounts accrued on and after January 1, 2005) the request for change in timing of the payment shall be deferred for a period of not less than 5 years from the date such payment would otherwise have been paid (or, in the case of installment payments, 5 years from the date the first amount was scheduled to be paid). Solely for purposes of elections as to the form and timing of distributions from the Plan of Section 409A Deferrals, the Plan shall allow Participants to make changes to such elections in 2007 as permitted by the transition relief contained in IRS Notice 2006-79 and the applicable Section 409A Treasury Regulations. If a Participant dies before commencement of distribution of Participant's Benefits under the Plan, such Benefits shall be paid in a lump sum to the Participant's Beneficiary, using the same actuarial assumptions as in the Retirement Plan. If a Participant dies after commencement of distribution of his or her Benefits under the Plan, the Participant's Benefits shall be paid to the Participant's Beneficiary in accordance with the Participant's election.

Notwithstanding the foregoing, and in accordance with Code Section 409A and any guidance issued thereunder, a Participant may make an election to change the form of payment of amounts subject to Code Section 409A on or before December 31, 2007, provided that the change in election (1) is for amounts not otherwise payable in 2007, and (2) does not cause an amount to be paid from a Participant's Account in 2007.

Notwithstanding the foregoing, and in accordance with Code Section 409A and any guidance issued thereunder, a Participant may make an election to change the form of payment of amounts subject to Code Section 409A on or before December 31, 2008, provided that the change in election (1) is for amounts not otherwise payable in 2008, and (2) does not cause an amount to be paid from a Participant's Account in 2008.

(5) Section 8.2 of the Plan is amended, effective January 1, 2005, to read as follows:

Termination of the Plan. The Board reserves the right to terminate the Plan at any time in whole or in part. In the event of any such termination, the Company shall pay a benefit to the Participant or the Beneficiary of any deceased Participant, in lieu of other benefits hereunder, equal to the value of the Participant's Account in the form and at the benefit commencement date elected by the Participant pursuant to section 5.1 of the Plan.

Nothwithstanding anything herein to the contrary, in no event shall any amendment or modification be made in a manner that is inconsistent with the requirements to avoid adverse federal tax consequences under Section 409A of the Code, nor shall any amendment, modification or other act or exercise be effective which involves an unintentional material modification (within the meaning of Code Section 409A and related official guidance) with respect to Code Section 409A grandfathered funds (generally, amounts deferred before January 1, 2005).

CARNIVAL CORPORATION & PLC
Ratio of Earnings to Fixed Charges
(in millions, except ratios)

	Three Months Ended February 28/29,	
	2009	2008
Net income	\$ 260	\$ 236
Income tax benefit, net	(22)	(10)
Income before income taxes	<u>238</u>	<u>226</u>
Fixed charges		
Interest expense, net	96	98
Interest portion of rent expense(a)	4	5
Capitalized interest	<u>9</u>	<u>14</u>
Total fixed charges	<u>109</u>	<u>117</u>
Fixed charges not affecting earnings		
Capitalized interest	(9)	(14)
Earnings before fixed charges	<u>\$ 338</u>	<u>\$ 329</u>
Ratio of earnings to fixed charges	<u>3.1x</u>	<u>2.8x</u>

(a) Represents one-third of rent expense, which we believe to be representative of the interest portion of rent expense.

I, Micky Arison, 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 officers 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 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 officers 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:
 - (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: April 2, 2009

By: /s/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

I, Howard S. Frank, 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 officers 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 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 officers 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:
 - (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: April 2, 2009

By: /s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating 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 officers 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 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 officers 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:
 - (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: April 2, 2009

By: /s/ David Bernstein
David Bernstein
Senior Vice President
and Chief Financial Officer

I, Micky Arison, 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 officers 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 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 officers 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:
 - (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: April 2, 2009

By: /s/ Micky Arison

Micky Arison

Chairman of the Board of Directors

and Chief Executive Officer

I, Howard S. Frank, 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 officers 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 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 officers 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:
 - (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: April 2, 2009

By: /s/ Howard S. Frank

Howard S. Frank

Vice Chairman of the Board of Directors
and Chief Operating 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 officers 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 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 officers 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:
 - (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: April 2, 2009

By: /s/ David Bernstein
David Bernstein
Senior Vice President
and Chief Financial Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2009 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: April 2, 2009

By: /s/ Micky Arison

Micky Arison

Chairman of the Board of Directors

and Chief Executive Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2009 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: April 2, 2009

By: /s/ Howard S. Frank

Howard S. Frank

Vice Chairman of the Board of Directors

and Chief Operating Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2009 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: April 2, 2009

By: /s/ David Bernstein
David Bernstein
Senior Vice President and
Chief Financial Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2009 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: April 2, 2009

By: /s/ Micky Arison

Micky Arison

Chairman of the Board of Directors

and Chief Executive Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2009 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: April 2, 2009

By: /s/ Howard S. Frank

Howard S. Frank

Vice Chairman of the Board of Directors

and Chief Operating Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2009 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: April 2, 2009

By: /s/ David Bernstein
David Bernstein
Senior Vice President and
Chief Financial Officer