

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended February 29, 1996

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 59-1562976
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3655 N.W. 87th Avenue, Miami, Florida 33178-2428
(Address of principal executive offices)
(zip code)

(305) 599-2600
(Registrants 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 registrant (1) has 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
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days.

Yes No

Indicate the number of shares outstanding of each of the issuers classes of
common stock, as of April 8, 1996.

Class A Common Stock, \$.01 par value: 229,965,560 shares

Class B Common Stock, \$.01 par value: 54,957,142 shares

CARNIVAL CORPORATION

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PART I. FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

CARNIVAL CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

ASSETS	February 29, 1996	November 30, 1995
CURRENT ASSETS		
Cash and cash equivalents	\$ 291,694	\$ 53,365
Short-term investments	26,603	50,395
Accounts receivable	30,280	33,080
Consumable inventories, at average cost	49,542	48,820
Prepaid expenses and other	72,906	70,718
Total current assets	471,025	256,378
PROPERTY AND EQUIPMENT--at cost, less accumulated depreciation and amortization	3,637,223	3,414,823
OTHER ASSETS		
Goodwill, less accumulated amortization of \$50,037 in 1996 and \$48,292 in 1995	224,826	226,571
Long-term notes receivable	67,936	78,907
Investments in affiliates and other assets	141,956	128,808
	\$4,542,966	\$4,105,487
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 72,767	\$ 72,752
Accounts payable	90,040	90,237
Accrued liabilities	117,780	113,483
Customer deposits	343,945	292,606
Dividends payable	25,636	25,632
Total current liabilities	650,168	594,710
LONG-TERM DEBT	1,364,393	1,035,031
CONVERTIBLE NOTES	115,000	115,000
OTHER LONG-TERM LIABILITIES	17,095	15,873
COMMITMENTS AND CONTINGENCIES (Note 5)		
SHAREHOLDERS' EQUITY		
Class A Common Stock; \$.01 par value; one vote per share; 399,500 shares authorized; 229,959 and 229,839 shares issued and outstanding	2,300	2,298
Class B Common Stock; \$.01 par value; five votes share; 201,000 shares authorized; 54,957 shares issued and outstanding	550	550
Paid-in-capital	597,197	594,811
Retained earnings	1,803,569	1,752,140
Less-other	(7,306)	(4,926)
Total shareholders' equity	2,396,310	2,344,873
	\$4,542,966	\$4,105,487

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

Three Months Ended
February 29, 1996 February 28, 1995

REVENUES	\$448,788	\$419,820
COSTS AND EXPENSES		
Operating expenses	263,696	247,229
Selling and administrative	71,282	64,175
Depreciation and amortization	32,835	31,504
	367,813	342,908
OPERATING INCOME	80,975	76,912
NONOPERATING INCOME (EXPENSE)		
Interest income	7,845	1,999
Interest expense, net of capitalized interest	(16,038)	(17,551)
Other income	757	1,362
Income tax benefit	3,526	4,830
	(3,910)	(9,360)
NET INCOME	\$ 77,065	\$ 67,552
EARNINGS PER SHARE	\$.27	\$.24

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

CARNIVAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

Three Months Ended
February 29, 1996 February 28, 1995

OPERATING ACTIVITIES:		
Net income	\$ 77,065	\$ 67,552
Adjustments:		
Depreciation and amortization	32,835	31,504
Other	2,854	2,009
Changes in operating assets and liabilities:		
Decrease (increase) in receivables	2,666	(7,854)
Increase in consumable inventories	(722)	(649)
Increase in prepaid and other	(2,226)	(11,662)
Decrease in accounts payable	(197)	(1,577)
Increase (decrease) in accrued liabilities	4,297	(6,247)
Increase in customer deposits	51,339	24,197
Net cash provided from operations	167,911	97,273
INVESTING ACTIVITIES:		
Decrease in short-term investments	21,026	6,195
Additions to property and equipment, net	(253,452)	(54,002)
Increase in other non-current assets	(2,177)	(2,332)
Net cash used for investing activities	(234,603)	(50,139)
FINANCING ACTIVITIES:		
Principal payments of long-term debt	(115,555)	(67,003)
Dividends paid	(25,632)	(21,190)
Proceeds from long-term debt	444,922	36,000
Issuance of common stock	1,286	664
Net cash provided from (used for) financing activities	305,021	(51,529)
Net increase (decrease) in cash and cash equivalents	238,329	(4,395)

Cash and cash equivalents at beginning of period	53,365	54,105
Cash and cash equivalents at end of period	\$291,694	\$ 49,710

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

CARNIVAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements included herein have been prepared by Carnival Corporation without audit pursuant to the rules and regulations of the Securities and Exchange Commission.

The accompanying consolidated balance sheet at February 29, 1996, the consolidated statements of operations and cash flows for the three months ended February 29, 1996 and February 28, 1995 are unaudited and, in the opinion of management, contain all adjustments, consisting of only normal recurring accruals, necessary for a fair presentation. The operations of Carnival Corporation and its subsidiaries (the "Company") are seasonal and results for interim periods are not necessarily indicative of the results for the entire year.

The accompanying financial statements include the consolidated balance sheets and statements of operations and cash flows of the Company and its subsidiaries. All material intercompany transactions and accounts have been eliminated in consolidation.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements under this caption, "Management's Discussion and Analysis of Financial Condition and Results of Operations", constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). See Part II Other Information Item 5(a), "Forward-Looking Statements."

General

The Company earns its revenues primarily from (i) the sale of passenger tickets, which include accommodations, meals, most shipboard activities and in many cases airfare, and (ii) the sale of goods and services on board its cruise ships, such as casino gaming, liquor sales, gift shop sales and other related services. The Company also derives revenues from the tour operations of HAL Antillen N.V. ("HAL").

The following table presents selected segment and statistical information for the periods indicated:

	Three Months Ended	
	February 29, 1996	February 28, 1995
	(in thousands)	
REVENUES:		
Cruise	\$441,687	\$412,645
Tour	7,239	7,291
Intersegment revenues	(138)	(116)
	\$448,788	\$419,820
OPERATING EXPENSES:		
Cruise	\$254,687	\$237,499
Tour	9,147	9,846
Intersegment expenses	(138)	(116)
	\$263,696	\$247,229
OPERATING INCOME:		
Cruise	\$ 90,120	\$ 87,207
Tour	(9,145)	(10,295)
	\$ 80,975	\$ 76,912
SELECTED STATISTICAL INFORMATION:		
Passengers Carried	408	343
Passenger Cruise Days	2,454	2,107
Occupancy Percentage	107.1%	99.9%

The following table sets forth statements of operations data expressed as a percentage of total revenues:

	Three Months Ended	
	February 29, 1996	February 28, 1995
1995		
REVENUES	100%	100%
COSTS AND EXPENSES:		
Operating expenses	59	59
Selling and administrative	16	15
Depreciation and amortization	7	8
OPERATING INCOME	18	18
NONOPERATING INCOME (EXPENSE)	(1)	(2)
NET INCOME	17%	16%

The Company's different businesses experience varying degrees of seasonality. The Company's revenue from the sale of passenger tickets for Carnival Cruise Lines' ("Carnival") ships is moderately seasonal. Historically, demand for Carnival cruises has been greatest during the period from late June through August and lower during the fall months. HAL cruise revenues are more seasonal than Carnival's cruise revenues. Demand for HAL cruises is strongest during the summer months when HAL ships operate in Alaska and Europe for which HAL obtains higher pricing. Demand for HAL cruises is lower during the winter months when HAL ships sail in the more competitive markets. The Company's tour revenues are extremely seasonal with a large majority of tour revenues generated during the late spring and summer months in conjunction with the Alaska cruise season.

Three Months Ended February 29, 1996 Compared
To Three Months Ended February 28, 1995

Revenues

The increase in total revenues from the first quarter of 1995 to the first quarter of 1996 was comprised of a \$29.0 million, or 7.0%, increase in cruise revenues. The increase in cruise revenues was primarily the result of an 8.7% increase in capacity for the period resulting from the addition of Carnival's cruise ship Imagination in July 1995. Occupancy rates were up 7% and pricing was down 7% resulting in net yield (total net revenue per lower berth) remaining essentially unchanged.

Average capacity is expected to increase 14.5% during the second quarter of 1996 as compared with the same period in 1995 as a result of the delivery of the Imagination in June 1995 and the Inspiration in February 1996. During the second half of fiscal 1996, average capacity is expected to increase 13.4% as compared with the second half of fiscal 1995 as a result of the delivery of the vessels mentioned above as well as the Veendam in April 1996. See "PART II. ITEM 5. OTHER INFORMATION - Forward Looking Statements".

Costs and Expenses

Operating expenses increased \$16.5 million, or 6.7%, from the first quarter of 1995 to the first quarter of 1996. Cruise operating costs increased by \$17.2 million, or 7.2%, to \$254.7 million in the first quarter of 1996 from \$237.5 million in the first quarter of 1995, primarily due to additional costs associated with the increased capacity.

Selling and administrative costs increased \$7.1 million, or 11.1%, primarily due to an increase in advertising expenses and an increase in payroll and related costs during the first quarter of 1996 as compared with the same quarter of 1995.

Depreciation and amortization increased by \$1.3 million, or 4.2%, to \$32.8 million in the first quarter of 1996 from \$31.5 million in the first quarter of 1995 primarily due to the addition of the Imagination.

Nonoperating Income (Expense)

Total nonoperating expense (net of nonoperating income) decreased to \$3.9

million for the first quarter of 1996 from \$9.4 million in the first quarter of 1995. Interest income increased \$5.8 million primarily due to earnings on the Kloster Bonds and an increase in cash balances. Cash balances increased due to United Kingdom regulatory requirements applicable to the Company's tender offer to acquire an interest in Airtours (see Note 6 in the accompanying financial statements for more information related to the Airtours acquisition). Gross interest expense (excluding capitalized interest) increased \$.6 million as a result of additional borrowings required in connection with the acquisition of Airtours. This increase was partially offset by a reduction in interest expense due to lower average debt balances for other corporate purposes. Capitalized interest increased \$2.1 million due to higher investment levels in vessels under construction.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

The Company's business provided \$167.9 million of net cash from operations during the three months ended February 29, 1996, an increase of 72.6% compared to the corresponding period in 1995. The increase between periods was primarily the result of changes in working capital accounts, primarily customer deposits, and an increase in net income.

During the three months ended February 29, 1996, the Company expended approximately \$253.5 million on capital projects, of which \$229.9 million was spent in connection with its ongoing shipbuilding program and \$11.6 million was spent on the expansion of the Company's shore side operations facilities located in Miami, Florida. The remainder was spent on vessel refurbishments, tour assets and other equipment. Amounts expended on the shipbuilding program included payments of \$219 million related to the Inspiration which was delivered in February 1996 and entered revenue producing service in late March 1996.

The Company made scheduled principal payments totaling approximately \$9.4 million under various individual vessel mortgage loans and repaid \$105.0 million of the outstanding balance on the \$750 Million Revolving Credit Facility Due 2000 (the "\$750 Million Revolver") during the three months ended February 29, 1996. The Company borrowed \$440.0 million under the \$750 Million Revolver during the same three months in connection with the final payment of the Inspiration and for the Airtours investment described above.

During the three months ended February 29, 1996, the Company declared and paid cash dividends of approximately \$25.6 million.

Future Commitments

The Company has contracts for the delivery of six new vessels over the next four years. The Company will pay approximately \$482 million during the twelve month period ending February 28, 1997 relating to the construction and delivery of those new cruise ships and approximately \$1.1 billion beyond February 28, 1997. See Note 5 in the accompanying financial statements for more information related to commitments for the construction of cruise ships.

In addition, the Company has \$1.6 billion of long-term debt and convertible notes of which \$72.8 million is due during the twelve month period ending February 28, 1997. See Note 3 in the accompanying financial statements for more information regarding the Company's debt. Also, see "PART II. ITEM 5. OTHER INFORMATION - Forward Looking Statements".

Funding Sources

Cash from operations is expected to be the Company's principal source of capital to fund its debt service requirements and ship construction costs. In addition, the Company may fund a portion of the construction cost of new ships from borrowings under its \$750 Million Revolver and/or through the issuance of long-term debt in the public or private markets. As of February 29, 1996, the Company had \$230 million available for borrowing under its \$750 Million Revolver and an additional \$250 million available under a short-term revolving credit facility to be used for general corporate purposes.

In April 1996, the Company acquired a 29.54% equity interest in Airtours plc ("Airtours"), a large United Kingdom, publicly traded tour company, for approximately \$300 million. The Company entered into a five year \$200 million multi-currency revolving credit facility and will fund approximately \$157 million of the acquisition cost through the facility. In addition, the Company will issue 5,301,186 shares of Class A common stock valued at approximately \$143 million to fund the remaining purchase price.

To the extent that the Company should require or choose to fund future capital commitments from sources other than operating cash or from borrowings

under its revolving credit facilities, the Company believes that it will be able to secure such financing from banks or through the offering of debt and/or equity securities in the public or private markets. See "PART II. ITEM 5. OTHER INFORMATION - Forward Looking Statements". In this regard, the Company has filed two Registration Statements on Form S-3 (the "Shelf Registration") relating to a shelf offering of up to \$500 million aggregate principal amount of debt or equity securities. Through February 29, 1996, the Company has issued \$230 million of debt securities under the shelf. A balance of \$270 million aggregate principal amount of debt or equity securities remains available for issuance under the Shelf Registration.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On September 19, 1995, a purported class action suit was filed against the Company in the United States District Court in the Southern District of Florida. The suit alleged that the Company violated the Florida Deceptive and Unfair Trade Practices Act by overcharging passengers for port charges. On April 2, 1996, the United States District Court for the Southern District of Florida dismissed the suit. The suit was dismissed with prejudice as to the plaintiffs' federal law claim and without prejudice as to state law claims which may be refiled in state court.

ITEM 5: Other Information

(a) Forward-Looking Statements

Certain statements in this Form 10-Q and in the future filings by the Company with the Securities and Exchange Commission, in the Company's press releases, and in oral statements made by or with the approval of an authorized executive officer constitute "forward-looking statements" within the meaning of the Reform Act. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions which may impact levels of disposable income of consumers and pricing and passenger yields for the Company's cruise products; increases in cruise industry capacity in the Caribbean and Alaska; changes in tax laws and regulations (especially any change affecting the Company's status as a "controlled foreign corporation" as defined in Section 957(a) of the Internal Revenue Code of 1986, as amended) (see "Markets for the Registrant's Common Equity and Related Stockholders' Matters - Taxation of the Company" in the Company's Annual Report on Form 10-K for the year ended November 30, 1995); the ability of the Company to implement its shipbuilding program and to expand its business outside the North American market where it has less experience; weather patterns in the Caribbean; unscheduled ship repairs and drydocking; incidents involving cruise vessels at sea; and changes in laws and government regulations applicable to the Company (including the implementation of the "Safety of Life at Sea Convention" and changes in Federal Maritime Commission surety and guaranty arrangements).

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 4.1 Revolving credit facility dated April 1, 1996 between Carnival Corporation, Nationsbank Capital Markets, Inc., and Nationsbank, N.A.
- 10.1 Letter agreement dated March 27, 1996 between Carnival Corporation and CHC Casinos Canada Limited
- 10.2 Letter dated February 21, 1996 to Carnival Corporation and CS First Boston Limited from David Crossland
- 10.3 Letter dated February 21, 1996 to Carnival Corporation and CS First Boston Limited from Thomas Trickett

- 10.4 Shareholders' agreement dated February 21, 1996 between Carnival Corporation and David Crossland
- 10.5 Subscription agreement between Carnival Corporation and Airtours plc dated February 21, 1996
- 11 Statement regarding computation of per share earnings
- 12 Ratio of Earnings to Fixed Charges
- 27 Financial Data Schedule

(b) Reports on Form 8-K
None

SIGNATURE

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

CARNIVAL CORPORATION

Dated: April 10, 1996

BY /s/ Micky Arison
Micky Arison
Chairman of the Board and Chief
Executive Officer

Dated: April 10, 1996

BY /s/ Howard S. Frank
Howard S. Frank
Vice-Chairman, Chief Financial and
Accounting Officer

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Exhibits

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AGREEMENT

DATED APRIL 1, 1996

\$300,000,000

REVOLVING CREDIT FACILITY

FOR

CARNIVAL CORPORATION

ARRANGED BY

NATIONSBANC CAPITAL MARKETS, INC.

London

THIS AGREEMENT is dated April 1, 1996 between:-

- (1) CARNIVAL CORPORATION a company incorporated in The Republic of Panama (the "Company");
- (2) NATIONSBANC CAPITAL MARKETS, INC. as arranger (in this capacity the "Arranger");
- (3) NATIONSBANK, N.A. as the underwriting bank in respect of the Committed Facility referred to below and a bid option bank;
- (4) NATIONSBANK, N.A., London Branch as Swingline Bank (in this capacity, the "Swingline Bank"); and
- (5) NATIONSBANK, N.A., London Branch as facility agent (in this capacity the "Facility Agent"), and bid option agent (in this capacity the "Bid Option Agent").

IT IS AGREED as follows:-

1. INTERPRETATION

1.1 Definitions

In this Agreement:-

"Acquisition"

means the acquisition, by the Group, of up to 29.6% of the Shares.

"Additional Borrower"

means a member of the Group which becomes a Borrower in accordance with Clause 27.5 (Additional Borrowers).

"Advance"

means a Committed Advance or an Uncommitted Advance.

"Affiliate"

means a Subsidiary or a Holding Company (as defined in Section 736 of the Companies Act 1985) of a person and any other Subsidiary of that Holding Company.

"Affiliated Bank"

means a Bank which is an Affiliate of another Bank.

"Agent"

means the Facility Agent or the Bid Option Agent.

"Bank"

means a Committed Bank, a Bid Option Bank or the Swingline Bank.

"Bid Option Bank"

means, subject to Clauses 27.2(h) (Transfers by Banks) and 27.4(c) (Changes in the Bid Option Banks and Bid Option Agent):-

- (a) NationsBank, N.A.; or
- (b) a bank or financial institution which becomes a Bid Option Bank pursuant to the Novation Certificate effecting Syndication or under Clause 27.4 (Changes in the Bid Option Banks and Bid Option Agent),

in each case in its capacity as a participant in the Uncommitted Advance Facility.

"Bid Option Bank Accession Agreement"

has the meaning given to it in Clause 27.4 (Changes in the Bid Option Banks and Bid Option Agent).

"Borrower"

means the Company or an Additional Borrower.

"Borrower Accession Agreement"

means a letter substantially in the form of Part III of Schedule 4 with such amendments as the Facility Agent may approve or reasonably require.

"Business Day"

means a day (other than a Saturday or a Sunday) on which banks are open for business in London, New York and (in relation to a transaction involving an Optional Currency other than Sterling) the principal financial centre of the country of that Optional Currency.

"Capital Lease"

means, in the case of any member of the Group, any lease of any property (whether real, personal or mixed) by the member of the Group as lessee that, according to GAAP either:

- (a) would be required to be classified and accounted for as a capital lease on a balance sheet of that member of the Group (in the case of members of the Group other than those incorporated in the United Kingdom) or as a finance lease (in the case of members of the Group incorporated in the United Kingdom); or
- (b) would otherwise be required to be disclosed as such in a note to that balance sheet,

in each case, according to GAAP, but excluding any such lease of which a member of the Group is the lessor.

"Code"

means the Internal Revenue Code of 1986 of the United States of America, as amended from time to time and the regulations promulgated and rulings issued under it.

"Commitment"

means:

- (a) in relation to a Committed Bank:
 - (i) if it is a Committed Bank on the date of this Agreement, the amount in Dollars set opposite its name in Part I of Schedule 1; and
 - (ii) if it becomes a Committed Bank after the date of this Agreement, the amount of Commitment acquired by it under Clause 27 (Changes to Parties); and
- (b) in relation to a Bank which is not a Committed Bank:

- (i) the amount in Dollars set opposite the name of its Affiliated Bank (if any) in Part I of Schedule 1 which is a Committed Bank on the date of this Agreement; and
- (ii) if its Affiliated Bank becomes a Committed Bank after the date of this Agreement, the amount of Commitment acquired by it under Clause 27 (Changes to Parties),

in each case, to the extent not cancelled, reduced or transferred under this Agreement.

"Committed Advance"

means an advance made or to be made by a Committed Bank under the Committed Advance Facility.

"Committed Advance Facility"

means the facility referred to in Clause 2.1(a) (Facilities).

"Committed Bank"

means, NationsBank, N.A. in its capacity as the underwriting bank under the Committed Advance Facility and each other bank or financial institution which agrees to become a lender under the Committed Advance Facility in accordance with Clause 27.2 (Transfers by Banks).

"Consolidated Cash Flow"

means net cash flow from operations of the Restricted Group, as shown in the consolidated statements of cash flows of the Restricted Group, determined in accordance with GAAP.

"Default"

means an Event of Default or an event which, with the giving of notice or lapse of time period specified in Clause 20 (Events of Default), would constitute an Event of Default.

"Designated Term"

has the meaning given to it in Clause 10.4 (Default interest).

"Dollars", "US\$" and "\$"

means the lawful currency for the time being of the United States of America.

"ERISA"

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

"ERISA Affiliate"

means with respect to any person, any trade or business (whether or not incorporated) which is a member of a group of which such person is a member and which is under common control with such person within the meaning of Section 414 of the Code, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Enactment of the Finance Bill"

means the passing into law of the Finance Bill.

"Event of Default"

means an event specified as such in Clause 20.1 (Events of Default).

"Facility"

means any of the facilities referred to in Clause 2.1 (Facilities).

"Facility Agent's Spot Rate of Exchange"

means the Facility Agent's spot rate of exchange for the purchase of the relevant Optional Currency in the London foreign exchange market with Dollars at or about 11.00 a.m. on a particular day.

"Facility Fee"

means the fee referred to in Clause 22.1 (Facility Fee).

"Facility Office"

means the office(s) notified by a Bank to the Facility Agent:-

- (a) on or before the date it becomes a Bank; or

(b) by not less than 5 Business Days' notice,

as the office(s) through which it will perform all or any of its obligations under this Agreement.

"Fee Letter"

means the letter dated 22nd February, 1996 between the Arranger, NationsBank, N.A. and the Company setting out the amount of various fees referred to in Clause 22 (Fees).

"Final Maturity Date"

means the date falling five years after the date of this Agreement.

"Finance Bill"

means the United Kingdom Finance Bill published on 4th January, 1996 and references to the position before and after the Enactment of the Finance Bill are based on the assumption that the Finance Bill will be enacted in a form substantially similar to its form as at the date of this Agreement.

"Finance Document"

means this Agreement, the Fee Letter, a Novation Certificate, a Borrower Accession Agreement or any other document designated as such by the Facility Agent and the Company.

"Finance Party"

means the Arranger, a Bank or an Agent.

"GAAP"

means:

- (a) in the case of the Company, the Restricted Group and the Group on a consolidated basis, at any time, generally accepted accounting principles in the United States of America at that time; and
- (b) in respect of any Borrower incorporated in the United Kingdom, on an individual basis, generally accepted accounting principles and practices in the United Kingdom consistently applied.

"Group"

means the Company and its Subsidiaries.

"HAL"

means HAL Antillen N.V., a Company incorporated in the Netherlands Antilles.

"HAL Subsidiaries"

means the Subsidiaries of HAL as at the date of this Agreement.

"Indebtedness"

means:

- (a) any liability of a member of the Group:
 - (i) for borrowed money and debit balances at banks; or
 - (ii) under any reimbursement obligation related to a letter of credit or bid or performance bond facility; or
 - (iii) evidenced by a bond, note, debenture or other evidence of indebtedness (including evidence of a purchase money obligation):
 - (A) representing extensions of credit given in connection with the acquisition of any business, property, service or asset of any kind,
 - (B) including, without limitation, any liability under any commodity, interest rate or currency exchange hedge or swap agreement (other than a trade payable or other current liability arising in the ordinary course of business); or
 - (iv) for obligations with respect to:
 - (A) an operating lease; or

- (B) a lease of real or personal property that is or would be classified and accounted for as a Capital Lease;
- (b) any liability of others either for any lease, dividend or letter of credit, or for any obligation described in paragraph (a) that:
- (i) a member of the Group has guaranteed or that is otherwise its legal liability (whether contingent or otherwise or direct or indirect, but excluding endorsements of negotiable instruments for deposit or collection in the ordinary course of business); or
 - (ii) is secured by any Security Interest on any property or asset owned or held by a member of the Group, regardless of whether the obligation secured thereby shall have been assumed by or is a personal liability of that person; and
- (c) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in paragraphs (a) and (b), above.

"Insufficiency"

means, with respect to any Plan, the amount, if any, by which the present value of the vested benefits under such Plan exceeds the fair market value of the assets of such Plan allocable to such benefits.

"Kloster"

means Kloster Cruise Limited, a company incorporated under the laws of the Islands of Bermuda.

"LIBOR"

means:

- (a) in relation to an Advance or an overdue amount, the rate per annum of the offered quotation for deposits in the currency of that Advance or overdue amount for a period comparable to its Term or Designated Term appearing on Telerate Page 3740 or 3750 (as appropriate) or any equivalent successor to such page or other page as appropriate on the Telerate Service or such other service as may, from time to time, display the British Bankers' Association Interest Settlement Rates for deposits in the relevant currency (as agreed between the Company and the Facility Agent) (the "Telerate Screen"); or
- (b) in relation to a Swingline Advance with a Term of 7, 14 or 21 days, the arithmetic mean (rounded upward to the nearest four decimal places) of the rates per annum of the offered quotations for deposits in the currency of that Swingline Advance for a period comparable to its Term appearing on the Reuters Screen LIBO or LIBP page, or any equivalent successor to such page or other page as appropriate (as agreed between the Company and the Swingline Bank) (the "Reuters Screen"); or
- (c) in relation to a Swingline Advance with a Term of a period other than 7, 14 or 21 days, the rate quoted by the Swingline Bank to leading banks in the London interbank market for the offering of deposits in the currency of that Swingline Advance for a period comparable to its Term; or
- (d) (if no relevant rate appears on the Telerate Screen or (as the case may be) the Reuters Screen for the purposes of paragraph (a) or (b) above):
 - (i) in the case of an Advance or an overdue amount, the arithmetic mean (rounded upward to four decimal places) of the rates, as supplied to the Facility Agent at its request, quoted by the Reference Banks to leading banks in the London interbank market for the offering of deposits in the currency of that Advance or overdue amount; or
 - (ii) in the case of a Swingline Advance, the rate referred to in paragraph (c) above,

(in each case) at or about 11.00 a.m. on the applicable Rate Fixing Day.

"Majority Committed Banks"

means, at any time, Committed Banks whose Commitments:-

- (a) then aggregate more than 51 per cent. of the Total Commitments; or
- (b) if the Total Commitments have been reduced to zero, aggregated more than 51 per cent. of the Total Commitments immediately before the reduction.

"Margin"

means:-

- (a) for a Committed Advance or a Swingline Advance, the applicable rate per annum determined in accordance with Clause 10.3 (Determination of applicable Margin and Facility Fee); or
- (b) for an Uncommitted Advance, the margin (positive, negative or zero) per annum bid by the relevant Bid Option Bank for the making of that Uncommitted Advance.

"Margin Period"

has the meaning given to it in Clause 10.3 (Determination of applicable Margin and Facility Fee).

"Maturity Date"

means the last day of the Term of an Advance or a Swingline Advance.

"MLA Cost"

means the cost imputed to the Swingline Bank making a Swingline Advance in Sterling of compliance with the Mandatory Liquid Assets requirements of the Bank of England during the Term of that Swingline Advance, determined in accordance with Schedule 7.

"Moody's"

means Moody's Investors Service or any successor thereto.

"Multiemployer Plan"

means a "multiemployer plan" as defined in Section 4001(a) (3) of ERISA to which a person or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding three plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan"

means an employee benefit plan, other than a Multiemployer Plan, subject to Title IV of ERISA to which a person or any ERISA Affiliate and more than one employer other than such person or ERISA Affiliate, is making or accruing an obligation to make contributions or, if any such plan has been terminated, to which the person or any ERISA Affiliate made or accrued an obligation to make contributions during any of the five plan years preceding the date of termination of such plan.

"Net Worth"

means, at a particular date, all amounts which would, in accordance with GAAP, be included in shareholders' equity on a consolidated balance sheet of the Group or the Restricted Group as at such date.

"Non Windstar Group"

means the Group excluding the Windstar Group.

"Novation Certificate"

means:

- (a) a duly completed certificate substantially in the form of Part I of Schedule 4; or
- (b) (in the case of a novation effecting Syndication) an agreement substantially in the form of Schedule 6, duly executed by the parties thereto with such amendments as the Company and the Agent may agree.

"Obligor"

means the Company (in its capacity as guarantor under this Agreement) or any Borrower.

"Option"

means:

- (a) any right to buy or sell specific property in exchange for an agreed sum;
- (b) any right to receive funds, the amount of which is determined by reference to the value of capital stock or the purchase price thereof;
- (c) any right of the type or kind referred to as a "phantom stock right" in the United States of America; and
- (d) any other right commonly known or referred to as an option.

"Optional Currency"

means Sterling or any other readily available and freely transferable currency other than Dollars agreed by the Company and the Banks.

"Original Accounts"

means:

- (a) in the case of the Company each of:
 - (i) the consolidated annual audited balance sheet of the Company as at 30th November, 1995; and
 - (ii) the related statements of operations and statements of cash flows of the Company and its Subsidiaries for the financial year then ended; and
- (b) in the case of each Borrower other than the Company, its most recent audited financial statements (if any) as at the date that it becomes a Party.

"Original Dollar Amount"

means:-

- (a) the principal amount of a Utilisation, Advance or Swingline Advance denominated in Dollars; or
- (b) the principal amount of a Utilisation, Advance or Swingline Advance denominated in an Optional Currency, translated into Dollars on the basis of the Facility Agent's Spot Rate of Exchange on the date of receipt by the relevant Agent of the Request for that Utilisation, Advance or Swingline Advance.

"Party"

means a party to this Agreement.

"PBGC"

means the Pension Benefit Guaranty Corporation of the United States of America or any entity or entities succeeding to all of its functions under ERISA.

"Plan"

means, at any time, any employee pension benefit plan maintained by any person, any of its Subsidiaries or any ERISA Affiliate of any of them which employee pension benefit plan is covered by Title IV of ERISA or is subject to the minimum funding standards of the Code.

"Prescribed Time"

means the time set opposite the number of a sub-Clause or paragraph of Clauses 5 (The Committed Advance Facility) and 6 (The Uncommitted Advance Facility) under the heading "Time" in Schedule 5.

"Qualifying Bank"

means an institution which is:

- (a) for the time being a financial institution recognised by the United Kingdom Inland Revenue as carrying on through its Facility Office a bona fide banking business in the United Kingdom for the purposes of Section 349(3) of the Income and Corporation Taxes Act 1988 ("ICTA") (as in force

at the date of this Agreement) or, after the Enactment of the Finance Bill, a bank as defined in ICTA for the purpose of S.349 of ICTA and which brings into account as a trading receipt of that business any amount payable or paid to it under this Agreement; or

- (b) a financial institution lending through any other branch, affiliate or agency if, at the time such financial institution becomes a Party, the financial institution or affiliate (as the case may be) is a resident in a country with which the U.K. has an appropriate double taxation treaty pursuant to which and in respect of which the U.K. Inspector of Foreign Dividends has confirmed to the Company that that financial institution or affiliate (as the case may be) is entitled to receive principal, interest and fees under this Agreement from the Borrowers without withholding of U.K. income tax.

"Rate Fixing Day"

means:

- (a) the Utilisation Date for a Swingline Advance denominated in Sterling; or
- (b) the second Business Day before the Utilisation Date for a Swingline Advance denominated in Dollars or for any Advance.

"Reference Banks"

means, subject to Clause 27.6 (Reference Banks), the principal London offices of NationsBank N.A., London Branch, and two other Banks selected by the Company and the Agent following Syndication.

"Request"

means a request made by a Borrower to utilise a Facility, substantially in the form of Schedule 3.

"Requested Amount"

means the amount of the Utilisation or Swingline Advance requested in a Request.

"Reset Date"

has the meaning given to it in Clause 10.3 (Determination of applicable Margin and Facility Fee).

"Restricted Group"

means the Group excluding the Specified Subsidiaries.

"Rollover Advance"

means in relation to any particular date, one or more Utilisations (each a "new Utilisation"):

- (a) whose Utilisation Date is the same as the Maturity Date of one or more existing Utilisations (each an "existing Utilisation");
- (b) where:
- (i) the aggregate Original Dollar Amounts of those new Utilisations is equal to or less than,
- (ii) the aggregate principal amount of those existing Utilisations (if not in Dollars, translated into Dollars on the basis of the Facility Agent's Spot Rate of Exchange on the date of receipt by the Facility Agent of the Request for the relevant new Utilisation(s));

and

- (c) all of the proceeds of which are used to refinance all or part of the existing Utilisations referred to above.

"Security Interest"

means any lien, charge, easement, claim, mortgage, Option, pledge, right of first refusal, right of security interest, servitude, transfer restriction or other encumbrance or any restriction or limitation of any kind (including, without limitation, any adverse claim to title, conditional sale or other title retention agreement, any lease in the nature thereof

and any agreement to give any security interest).

"Shares"

means all of the ordinary voting shares and preference shares of Airtours Plc in issue on the date of this Agreement or to be issued in connection with the Company's acquisition of a 29.6% interest in Airtours Plc.

"Solvent"

means with respect to any member of the Group (other than a member of the Group the material part of whose Indebtedness is guaranteed by the Company) on a particular date, that on such date:

- (a) the fair market value of the assets of that member of the Group is greater than the total amount of its liabilities (including the present or expected value of contingent liabilities);
- (b) the present fair saleable value of the assets of that member of the Group is greater than the amount that will be required to pay its probable liabilities in respect of its debts as they become absolute and matured;
- (c) that member of the Group is able to realise upon its assets and pay its debts and other liabilities, including contingent obligations as they mature;
- (d) that member of the Group does not have unreasonably small capital; and
- (e) that member of the Group does not intend to or believe it will incur debts beyond its ability to pay as they mature.

"Specified Subsidiary"

means Kloster and each of its Subsidiaries.

"S&P"

means Standard & Poor's Corporation or any successor thereto.

"Subsidiary"

means, with respect to any person, any corporation, association, partnership or other business entity of which a majority of the voting power entitled to vote in the election of directors, managers or trustees thereof is at the time owned, directly or indirectly, by such person or by one or more other Subsidiaries of such person, or by such person and one or more of its other Subsidiaries, or a combination thereof.

"Swap"

means any interest rate, commodity or currency swap or other similar transaction entered into by any member of the Group, whether or not entered into for the purpose of hedging any exposure or liability of that or any other member of the Group.

"Swingline Advance"

means an advance made or to be made by the Swingline Bank under the Swingline Facility.

"Swingline Commitment"

means, in the case of the Swingline Bank, subject to Clause 27.2 (Transfers by Banks), the amount in Dollars set opposite its name in Part II of Schedule 1 to the extent not cancelled, reduced or transferred under this Agreement.

"Swingline Facility"

means the facility referred to in Clause 2.1(c) (Facilities).

"Syndication"

means the initial syndication by the Arranger and the subsequent transfer by the Bank originally party to this Agreement of a portion of the Total Commitments to banks and financial institutions which are not original Parties.

"Syndication Date"

means the date upon which those banks and financial institutions which accept an invitation to participate in the Total Commitments pursuant to Syndication (or substantially all of them) become Banks.

"Tangible Net Worth"

means, in respect of the Company, at any time:

- (a) the sum, to the extent shown on its balance sheet, of:
 - (i) the amount of issued and outstanding share capital, but less the cost of treasury shares; plus
 - (ii) the amount of surplus and retained earnings,
- less
- (b) intangible assets as determined in accordance with GAAP.

"Term"

means the period selected by a Borrower in a Request for which the relevant Advance, Swingline Advance or Utilisation is to be outstanding.

"Termination Event"

means:

- (a) a "reportable event", as such term is described in Section 4043 of ERISA (other than a "reportable event" not subject to the provision for 30 day notice to the PBGC), or an event described in Section 4068(f) of ERISA; or
- (b) the withdrawal of the Company or any ERISA Affiliate from a Multiple Employer Plan during a plan year in which it was a "substantial employer", as such term is defined in Section 4001(a)(2) of ERISA, or the incurrence of liability by the Company or any ERISA Affiliate under Section 4064 of ERISA upon the termination of a Multiple Employer Plan; or
- (c) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041A of ERISA; or
- (d) the institution of proceedings to terminate a Plan by the PBGC under Section 4042 of ERISA; or
- (e) any other event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

"Total Capital"

means the sum of the Total Debt and Tangible Net Worth of the Restricted Group, but excluding therefrom any Indebtedness or amounts due or received under any Swap.

"Total Commitments"

means the aggregate for the time being of the Commitments, being \$300,000,000 at the date of this Agreement.

"Total Debt"

means, at a particular date, the sum of:

- (a) all amounts which would, in accordance with GAAP, constitute short term debt and long term debt of the Restricted Group as of such date; and
- (b) the amount of any Indebtedness outstanding on such date and not included in the amounts specified in paragraph (a), singly or in the aggregate, in excess of Fifty Million Dollars (\$50,000,000), of any person other than members of the Restricted Group, which Indebtedness:
 - (i) has been and remains guaranteed on such date by or is otherwise the legal liability of a member of the Restricted Group (whether contingent or otherwise or direct or indirect, but excluding endorsements of negotiable instruments for deposit or collection in the ordinary course of business); or
 - (ii) is secured by any Security Interest on any property or asset owned or held by a member of the Restricted Group, regardless of whether the obligation secured thereby shall have been assumed or is a personal liability of a member of the Restricted Group

except that the foregoing shall not be interpreted to include any Indebtedness under any Swap.

"Uncommitted Advance"

means an advance made or to be made by a Bid Option Bank under the Uncommitted Advance Facility.

"Uncommitted Advance Facility"

means the facility referred to in Clause 2.1(b) (Facilities).

"Utilisation"

means all the Advances made or to be made following the giving by a Borrower of a Request for those Advances.

"Utilisation Date"

means the date for the making of the relevant Advance, Swingline Advance or Utilisation.

"Windstar Group"

means Windstar Sail Cruises Ltd and its Subsidiaries.

"Withdrawal Liability"

shall have the meaning given such term under Part I of Subtitle E of Title IV of ERISA.

1.2 Construction

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

(i) "assets" includes properties, revenues and rights of every description;

an "authorisation" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration and notarisation;

a "month" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that, if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that calendar month;

a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but if in relation to any Bank or Party, is one with which banks or companies engaged in a similar business to that Party would customarily comply) of any governmental body, agency, department or regulatory, self-regulatory or other authority or organisation;

(ii) a provision of a law is a reference to that provision as amended or re-enacted;

(iii) a Clause or a Schedule is a reference to a clause of or a schedule to this Agreement;

(iv) a person includes its successors and assigns;

(v) a Finance Document or another document is a reference to that Finance Document or that other document as amended, novated or supplemented; and

(vi) a time of day is a reference to London time.

(b) Unless the contrary intention appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(c) The index to and the headings in this Agreement are for convenience only and are to be ignored in construing this Agreement.

1.3 Financial definitions

In this Agreement:

(a) accounting terms used in the definitions of "Total Debt", "Total Capital", "Consolidated Cash Flow", "Capital Lease" and "Tangible Net Worth" in Clause 1.1 (Definitions) and accounting terms which are otherwise undefined are to be calculated in accordance with GAAP consistently applied; and

- (b) (save as otherwise provided in this Agreement) any amount denominated in a currency other than Dollars is to be taken into account at its Dollar equivalent calculated on the basis of the Facility Agent's Spot Rate of Exchange on the day the relevant amount falls to be calculated.

2. THE FACILITIES

2.1 Facilities

The Banks grant to the Borrowers the following facilities:-

- (a) a committed multicurrency advance facility under which the Committed Banks shall, when requested by a Borrower, make to that Borrower Committed Advances;
- (b) an uncommitted multicurrency advance facility under which a Borrower may invite offers from the Bid Option Banks to make to that Borrower Uncommitted Advances; and
- (c) in the case of the Swingline Bank, a committed swingline advance facility under which the Swingline Bank shall, when requested by a Borrower, make to that Borrower Swingline Advances in Dollars or in Sterling in an aggregate Original Dollar Amount not exceeding, at any time, the Swingline Commitment,

in each case subject to the terms of this Agreement.

2.2 Overall facility limits

- (a) The aggregate Original Dollar Amount of all outstanding Utilisations shall not at any time exceed the Total Commitments at that time.
- (b) The aggregate Original Dollar Amount of all outstanding Swingline Advances shall not at any time exceed the Swingline Commitment at that time.

2.3 Limits applicable to the Committed Advance Facility and the Swingline Facility

- (a) The Committed Banks are not obliged to make Advances if the aggregate principal amount of those Advances would cause the aggregate of the applicable outstandings of all the Committed Banks to exceed the Total Commitments during the Term of those Advances.
- (b) For the purpose of this Clause 2.3, the "applicable outstandings" of a Committed Bank on any Utilisation Date is the aggregate Original Dollar Amount of:
 - (i) all Advances made by that Bank (both in its capacity as a Committed Bank and a Bid Option Bank) and its Affiliated Bank which would be outstanding on that Utilisation Date, if:-
 - (A) all outstanding Utilisations having Maturity Dates which fall on or before that Utilisation Date are repaid;
 - (B) all Utilisations of the Committed Advance Facility to be made on or before that Utilisation Date and in respect of which a Request has been received by the Facility Agent are made; and
 - (C) all Utilisations of the Uncommitted Advance Facility to be made on or before that Utilisation Date and in respect of which a Borrower has accepted offers from the relevant Banks are made; and
 - (ii) (A) in the case of a Committed Bank which is also the Swingline Bank, all of the Swingline Advances made by it which would be outstanding on that Utilisation Date, if:
 - (1) all Swingline Advances having Maturity Dates falling on or before that Utilisation Date are repaid; and
 - (2) all Swingline Advances to be borrowed on or before that Utilisation Date and in respect of which a Request has been received by the Swingline Bank are made;

but, for the purposes of this sub-paragraph (A), the Swingline Bank's applicable outstandings shall be deemed reduced by an amount equal to the applicable outstandings of the other Committed Banks referred to in sub-paragraph (B) below;

(B) in the case of each other Committed Bank, its proportionate liability in respect of all outstanding Swingline Advances (after taking into account the adjustments in sub-paragraphs (A)(1) and (2) above) under Clause 5.7 (Committed Banks' guarantee of Swingline Facility).

(c) If a Utilisation under the Committed Advance Facility would otherwise cause the applicable outstandings of the Committed Banks to exceed the Total Commitments, then the Requested Amount of that Utilisation shall be reduced to the extent necessary to ensure that after that Utilisation is made, the applicable outstandings will not exceed the Total Commitments during the term of the Advances comprised in that Utilisation.

(d) The Swingline Bank is not obliged to make a Swingline Advance if the principal amount of that Swingline Advance would cause the aggregate of the applicable outstandings (as defined in paragraph (b) above, but excluding sub-paragraph (b)(ii)(B)) to exceed the Total Commitments during the Term of that Swingline Advance.

2.4 Number of Requests and Utilisations

No Request may specify a Utilisation Date which is within 5 Business Days of another Utilisation Date, although up to 5 Utilisations or Swingline Advances may be made on the same day. Subject to the above, any number of Requests may be delivered on the same day and/or specifying the same Utilisation Date, whether or not the currencies and Terms requested are similar.

2.5 Nature of a Finance Party's rights and obligations

(a) The obligations of a Finance Party under the Finance Documents are several. Failure of a Finance Party to carry out those obligations does not relieve any other Party of its obligations under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of a Finance Party under the Finance Documents are divided rights. A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce those rights.

3. PURPOSE

(a) Each Borrower shall apply each Utilisation and each Swingline Advance made to it towards its general corporate purposes including funding the Acquisition.

(b) Without affecting the obligations of any Obligor in any way, no Finance Party is bound to monitor or verify the application of the proceeds of any Utilisation or Swingline Advance.

4. CONDITIONS PRECEDENT

4.1 Documentary conditions precedent

The obligations of each Finance Party to any Obligor under this Agreement are subject to the condition precedent that the Facility Agent has notified the Company and the Banks that it has received or waived all of the documents set out in Part I of Schedule 2 in form and substance satisfactory to the Facility Agent.

4.2 Further conditions precedent

The obligations of each Bank to participate in a Utilisation and of the Swingline Bank to make Swingline Advances are subject to the further conditions precedent that:-

(a) on both the date of the Request and the Utilisation Date for that Utilisation or Swingline Advance:-

(i) the representations and warranties in Clause 18 (Representations and warranties) to be repeated on those dates are correct in all material respects and will be correct in all material respects immediately after the Utilisation or the making of that Swingline Advance; and

- (ii) (A) in the case of a Rollover Utilisation, no Event of Default; or
 - (B) in the case of a Utilisation other than a Rollover Utilisation and of a Swingline Advance, no Default
- in each case, is outstanding or might result from the Utilisation; and

(b) the Utilisation or Swingline Advance would not cause Clause 2.2 (Overall facility limit) to be contravened.

5. THE COMMITTED ADVANCE FACILITY

5.1 Receipt of Requests

A Borrower may utilise the Committed Advance Facility if the Facility Agent receives, not later than the Prescribed Time, a duly completed Request.

5.2 Completion of Requests

A Request will not be regarded as having been duly completed unless:-

- (a) the Utilisation Date is a Business Day;
- (b) only one currency is specified and the Requested Amount is (subject to Clause 2.3 (Limits applicable to the Committed Advance Facility and the Swingline Facility)):-
 - (i) if the currency is Dollars, a minimum of U.S.\$5,000,000 and an integral multiple of U.S.\$1,000,000; or
 - (ii) if the currency is Sterling, a minimum of L3,000,000 and an integral multiple of L500,000; or
 - (iii) if the currency is an Optional Currency other than Sterling, a minimum and integral multiple of the amounts agreed between the Company and the Facility Agent before the delivery of that Request; or
 - (iv) such other amount as the Facility Agent and the Company may agree;
- (c) only one Term is specified which:-
 - (i) does not overrun the Final Maturity Date; and
 - (ii) is a period of an approved duration or an optional duration;
- (d) the payment instructions comply with Clause 12 (Payments); and
- (e) the then current rating applicable to the Company's long term debt by S&P and/or Moody's is stated.

In this Clause:-

"approved duration" means a period of 1, 2, 3 or 6 months; and

"optional duration" means any other period up to 12 months approved by the Facility Agent on the instructions of the Committed Banks.

5.3 Amount of each Committed Bank's Advance

The amount of a Committed Bank's Advance will be the proportion of the Requested Amount (as reduced, if necessary, in accordance with Clause 2.3 (Limits applicable to the Committed Advance Facility and the Swingline Facility)) which its Commitment bears to the Total Commitments on the date of receipt of the relevant Request.

5.4 Notification of the Committed Banks

The Facility Agent shall, not later than the Prescribed Time, notify each Committed Bank of the details of the requested Advances and the amount of its Advance.

5.5 Payment of Proceeds

Subject to the terms of this Agreement, each Committed Bank shall make its Advance available to the Facility Agent for the Borrower on the relevant Utilisation Date.

5.6 Selection of an optional duration

(a) If a Borrower selects a Term of an optional duration, it may also select in the relevant Request a Term of an approved duration to apply if the selection of a Term of an optional duration becomes ineffective in accordance with paragraph (b) below.

(b) If:-

- (i) a Borrower requests a Term of an optional duration; and
- (ii) the Facility Agent determines, not later than the Prescribed Time, that matching deposits are not available to a Committed Bank in the London interbank market to fund the Utilisation for that Term,

the Term for the proposed Utilisation shall be the alternative period specified in the relevant Request or, in the absence of any alternative selection, 1 month.

(c) If the Facility Agent makes a determination under paragraph (b) above, it shall notify the relevant Borrower and the other Committed Banks of the new Term for the proposed Advances not later than the Prescribed Time.

5.7 Committed Banks' guarantee of Swingline Facility

(a) Each Bank other than the Swingline Bank (to the extent that it is also a Committed Bank) guarantees to the Swingline Bank as a principal obligor and not merely as a surety and as a continuing obligation of that Committed Bank, the due and punctual payment of all principal, interest and other amounts payable now or in the future to the Swingline Bank by the Obligors under or in respect of the Swingline Facility.

(b) If a Borrower is in default in payment of any such amount, the Committed Banks other than the Swingline Bank (to the extent that it is also a Committed Bank) will, within three Business Days after a written demand from the Swingline Bank is received by the Facility Agent, pay all sums in respect of principal, interest and any other amount which may be payable thereunder and certified as such in that demand PROVIDED THAT the liability of the Committed Banks under this Clause 5.7 is subject to the following conditions:

- (i) the maximum aggregate Original Dollar Amount of the Swingline Advances in respect of which the Committed Banks are liable under this guarantee shall not, at any time, exceed the Swingline Commitment at that time and the maximum aggregate liability of the Committed Banks under this guarantee, at any time, shall not exceed the amount of those Swingline Advances plus all interest and or other amounts due to the Swingline Bank under or in respect of the Swingline Facility;
- (ii) the liability of each Committed Bank is several (and not joint or joint and several) and is limited, in respect of each demand, to the proportion of the amount demanded which its Commitment on the date of the demand bears to the Total Commitments on that date;
- (iii) the aggregate liability of the Committed Banks (other than the Swingline Bank) in respect of any amount demanded under this Clause 5.7 shall be reduced by a portion of that amount equal to the proportion which the Swingline Bank's Commitment (in its capacity as Committed Bank) bears to the Total Commitments;
- (iv) upon payment by the Committed Banks of all amounts capable of being demanded hereunder, the Swingline Bank will (provided all liabilities of the Obligors to the Swingline Bank under the Swingline Facility have been irrevocably and unconditionally discharged) forthwith assign to the Committed Banks all claims, rights and security which the Swingline Bank may now or hereafter have against an Obligor and which would have been applied towards the sum guaranteed and each Obligor expressly consents to such an assignment; and
- (v) the liability of each Bank under this Clause 5.7 shall expire at (and accordingly no demand may be made by the

Swingline Bank pursuant to this paragraph (b) in respect of liabilities incurred by the Obligors to the Swingline Bank after) close of business on the Business Day after the Final Maturity Date, but such expiry shall not prejudice the rights of the Swingline Bank against the Committed Banks in respect of or relating to liabilities of the Obligors occurring or arising on or before that date.

(c) Any payments made by the Committed Banks to the Swingline Bank for the account of an Obligor shall only be considered to be payments made hereunder and shall only reduce the liability of the Committed Banks hereunder if such payments are made following a demand by the Swingline Bank under this Clause 5.7.

5.8 Acknowledgement of subrogation

Each Obligor agrees and acknowledges that, to the extent that any Committed Bank makes any payment to the Swingline Bank under Clause 5.7 (Committed Bank's guarantee of Swingline Facility) that Committed Bank will automatically and immediately be subrogated to any rights the Swingline Bank may have against any Obligor or their respective assets in respect of the amount so paid.

5.9 Obligors' counter-indemnity to the Committed Banks

(a) Each Obligor undertakes, on demand, to indemnify and hold harmless each Finance Party from and against all liabilities, reasonable costs, losses, damages and expenses which the Finance Party may incur or sustain by reason of or arising in any way whatsoever in connection with or by reference to the Swingline Facility or that Finance Party's performance of the obligations expressed to be assumed by it under or in respect of the Swingline Facility (including, without limitation under Clause 5.7 (Committed Banks' guarantee of Swingline Facility)).

(b) Each Obligor agrees and acknowledges that its obligations under this Clause 5.9 shall not be affected by any act, omission, matter or thing which but for this provision might operate to release or otherwise exonerate it from its obligations under this Clause 5.9 in whole or in part, including without limitation and whether or not known to it:

(i) any time or waiver granted to or composition with a Finance Party or any other person;

(ii) any taking, variation, compromise, renewal or release of, or refusal or neglect to perfect or enforce, any rights, remedies or securities available to any Finance Party or other person or arising under or in respect of the Swingline Facility; or

(iii) any variation or extension of or increase in liabilities under the Swingline Facility, so that references in this Agreement to the Swingline Facility shall include each such variation, extension and variation.

(c) This shall be a continuing indemnity, shall extend to the ultimate balance of the obligations and liabilities of each Obligor under this Clause 5.9 and shall continue in force notwithstanding any intermediate payment in whole or in part of such obligations or liabilities.

(d) The obligations of each Obligor under this Clause 5.9 shall be in addition to and shall not be in any way prejudiced by any collateral or other security now or hereafter held by any Finance Party as security or any lien to which that Finance Party may be entitled.

(e) No invalidity or unenforceability of all or any part of this Clause 31.6 shall affect any rights of indemnity or otherwise which any Finance Party would or may have in the absence of or in addition to this Clause 5.9

6. THE UNCOMMITTED ADVANCE FACILITY AND COMPETITIVE BID OPTION

6.1 Receipt of Requests

A Borrower may exercise the competitive bid option and utilise the Uncommitted Advance Facility if the Bid Option Agent receives, not later than the Prescribed Time, a duly completed Request.

6.2 Completion of Requests

A Request will not be regarded as being duly completed unless:-

- (a) the Utilisation Date is a Business Day;
- (b) only one currency is specified and the Requested Amount is (subject to Clause 2.3 (Limits applicable to the Committed Advance Facility and the Swingline Facility)):-
 - (i) if the currency is Dollars, a minimum of U.S.\$5,000,000 and an integral multiple of U.S.\$1,000,000; or
 - (ii) if the currency is Sterling a minimum of L3,000,000 and an integral multiple of L100,000; or
 - (iii) if the currency is an Optional Currency other than Sterling a minimum and integral multiple of the amounts agreed between the Company and the Facility Agent before the delivery of that Request; or
 - (iv) such other amount as the Bid Option Agent and the Company may agree;
- (c) the requested Term is specified which:-
 - (i) does not overrun the Final Maturity Date; and
 - (ii) is a period of 1, 2, 3 or 6 months or all of them.
- (d) the payment instructions comply with Clause 12 (Payments); and
- (e) the then current rating applicable to the Company's long term debt by S&P and/or Moody's is stated.

6.3 Invitations to the Bid Option Banks

The Bid Option Agent shall, not later than the Prescribed Time, notify each Bid Option Bank of the details of the requested Advances.

6.4 Offers from the Bid Option Banks

(a) Each Bid Option Bank may make up to four offers to make any Advances, but the Bid Option Agent must receive, not later than the Prescribed Time, a notice marked "CARNIVAL CORPORATION - Uncommitted Advances" specifying, in respect of each offer:-

- (i) the name of the Bid Option Bank;
- (ii) the name of the Borrower;
- (iii) the Utilisation Date;
- (iv) its principal amount, which shall be:-
 - (1) an integral multiple of U.S.\$500,000; or
 - (2) an integral multiple of L500,000; or
 - (3) an integral multiple of the relevant amount agreed between the Company and the Facility Agent,as appropriate;
- (v) its Margin, expressed as an annual percentage rate to four decimal places; and
- (vi) if the relevant Request specifies more than one Term, the Term for which that Bid Option Bank is prepared to permit the Advance specified in its offer to be outstanding.

The Bid Option Agent shall disregard offers which are received by it later than the Prescribed Time.

- (b) Each offer made by a Bid Option Bank under paragraph (a) above shall be treated as a separate and irrevocable offer which will remain available until the Prescribed Time whereupon it shall lapse if not accepted.
- (c) An offer by the Bid Option Agent or one of its Affiliates in its capacity as a Bid Option Bank shall be disregarded unless notified to the Borrower not later than the Prescribed Time.

(d) The Bid Option Agent shall, not later than the Prescribed Time, notify the Borrower of any valid offers, specifying in respect of each offer:-

- (i) the name of the offeror;
- (ii) its principal amount; and
- (iii) its Margin.

6.5 Acceptance of Offers

(a) (i) If the Borrower wishes to accept any offers made under Clause 6.4 (Offers from the Bid Option Banks), the Bid Option Agent must receive from the Borrower, not later than the Prescribed Time, notice of the aggregate principal amount of offers which it wishes to accept (the "Accepted Amount").

(ii) The Accepted Amount shall be:-

- (1) an integral multiple of U.S.\$500,000; or
- (2) an integral multiple of L500,000; or
- (3) an integral multiple of the relevant amount agreed between the Company and Facility Agent,

as appropriate, and may, so long as the limit contained in Clause 2.2 (Overall Facility limit) would not be exceeded, exceed the Requested Amount.

(iii) Subject to the terms of this Agreement, each acceptance of an offer shall be irrevocable and binding on the Borrower and the relevant Bid Option Bank.

(iv) If the Borrower fails so to notify the Bid Option Agent, the Borrower may not proceed with the Utilisation and the relevant offers shall lapse.

(b) (i) Subject to sub-paragraph (ii) below, the Borrower may only accept offers in ascending order of their Margins.

(ii) If two or more offers at the same Margin fall to be partially accepted, the Borrower may only accept those offers rateably in the proportion which their respective principal amounts bear to each other.

(iii) The last offer or offers to be accepted in accordance with either or both of sub-paragraphs (i) and (ii) above shall be accepted only to the extent that the aggregate principal amount of offers accepted does not exceed the Accepted Amount.

(c) The Bid Option Agent shall, not later than the Prescribed Time, notify each Bid Option Bank which has made any offer(s) whether or not its offer(s) have been accepted, and, if so, specifying in respect of each such offer:-

- (i) the principal amount of its Advance; and
- (ii) the applicable Margin.

6.6 Payment of Proceeds

Subject to the terms of this Agreement, each relevant Bid Option Bank shall make its Advance available to the Facility Agent for the Borrower on the relevant Utilisation Date.

7. THE SWINGLINE ADVANCE FACILITY

7.1 Receipt of Requests

(a) A Borrower may utilise the Swingline Advance Facility if the Swingline Bank receives a duly completed Request, not later than:

- (i) 12 noon on the Business Day before the relevant Utilisation Date (in the case of a Swingline Advance denominated in Sterling); or
- (ii) 9.30 a.m. on the second Business Day before the relevant Utilisation Date (in the case of a Swingline Advance denominated in Dollars).

- (b) The Swingline Bank shall, not later than 3.00 p.m. on the Business Day before the relevant Utilisation Date, notify the Facility Agent (which shall promptly notify the Committed Banks) of any Request for a Swingline Advance.

7.2 Form of Request

A Request will not be regarded as having been duly completed unless:-

- (a) the Utilisation Date is a Business Day;
- (b) it is stated whether the Swingline Advance is to be in Dollars or in Sterling and the Requested Amount is (subject to Clause 2.3 (Limits applicable to the Committed Advance Facility and the Swingline Facility)):
- (i) if the currency is Dollars, a minimum of US\$500,000 and an integral multiple of US\$100,000; and
- (ii) if the currency is Sterling a minimum of L500,000 and an integral multiple of L100,000; or
- (iii) such other minimum amounts as the Company and the Swingline Bank may agree.
- (c) only one Term is specified, which:-
- (i) does not overrun the Final Maturity Date; and
- (ii) is a period not exceeding 21 days;
- (d) the payment instructions comply with Clause 12 (Payments); and
- (e) the then current rating applicable to the Company's long term debt by S&P and/or Moody's is stated.

7.3 Payment of Proceeds

Subject to the terms of this Agreement, the Swingline Bank shall make the Swingline Advance available to the relevant Borrower on the relevant Utilisation Date.

8. REPAYMENT

- (a) Each Borrower shall repay each Advance made or transferred to it in full on its Maturity Date to the Facility Agent for the relevant Bank.
- (b) Each Borrower shall repay each Swingline Advance made to it in full on its Maturity Date to the Swingline Bank.

9. PREPAYMENT AND CANCELLATION

9.1 Automatic Cancellation of the Total Commitments

The Swingline Commitment and the Commitment of each Committed Bank shall be automatically cancelled at close of business on the Final Maturity Date.

9.2 Voluntary cancellation and prepayment

- (a) The Company may, by giving not less than 14 days' prior notice to the Facility Agent, cancel the unutilised portion of the Total Commitments in whole or in part (but, if in part, in an integral multiple of \$5,000,000). Any cancellation in part shall be applied against the Commitment of each Committed Bank pro rata.
- (b) Subject to Clause 23.2 (Other indemnities) a Borrower may, by giving not less than 4 Business Days prior notice to the Facility Agent, prepay a Utilisation in whole or in part (but if in part in an integral multiple of \$5,000,000). Any such prepayment shall be applied against all of the Advances in that Utilisation pro rata.
- (c) The Company may, by giving not less than 14 days' prior notice to the Swingline Bank and the Facility Agent, cancel the unutilised portion of the Swingline Commitment in integral multiples of \$1,000,000.

9.3 Additional right of prepayment and cancellation

If any Obligor is required to pay any amount to a Bank under Clause 13 (Taxes) or Clause 15 (Increased costs), the Company may, whilst the circumstances giving rise to the requirement continue, serve a notice of prepayment and cancellation on that

Bank through the Facility Agent. If the Company serves a notice of prepayment and cancellation on a Bank:

- (a) each Borrower shall prepay any Advances made to it by that Bank or its Affiliated Bank together with all other amounts payable by it to that Bank or its Affiliated Bank under this Agreement on the date falling 5 Business Days after the date of service of the notice;
- (b) if the Bank is a Committed Bank or an Affiliate of a Committed Bank, its Commitment shall be cancelled on the date of service of the notice; and
- (c) if the notice relates to the Swingline Facility, no further Swingline Advances will be made or requested and the Swingline Commitment shall be cancelled.

9.4 Miscellaneous provisions

- (a) Any notice of prepayment and/or cancellation under this Agreement is irrevocable. The Facility Agent shall notify the Banks promptly of receipt of any such notice relating to the Committed Advance Facility.
- (b) All prepayments under this Agreement shall be made together with accrued interest on the amount prepaid.
- (c) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.
- (d) Any amount prepaid under this Agreement may subsequently be re-borrowed. No amount of the Total Commitments or the Swingline Commitment cancelled under this Agreement may subsequently be reinstated.

9.5 Replacement bank

If the Commitment of any Committed Bank or the Swingline Commitment of the Swingline Bank is cancelled under Clause 9.3 (Additional right of prepayment and cancellation) or Clause 16.1 (Illegality), the Company may nominate a bank or financial institution (with the consent of the Facility Agent, such consent not to be unreasonably withheld) to become a Committed Bank or the Swingline Bank (as appropriate) under this Agreement with a Commitment or Swingline Commitment (as appropriate) equal to or less than the cancelled Commitment of the retiring Committed Bank or Swingline Bank (as the case may be) subject to such documentation as the Agent may reasonably require.

10. INTEREST

10.1 Interest rate

The rate of interest on each Advance and each Swingline Advance for its Term is the rate per annum determined by the Facility Agent to be the aggregate of the applicable:-

- (a) Margin;
- (b) LIBOR; and
- (c) in the case of a Swingline Advance denominated in Sterling, the MLA Cost.

10.2 Due dates

Except as otherwise provided in this Agreement, accrued interest on each Advance and each Swingline Advance is payable by the relevant Borrower on its Maturity Date and, in the case of an Advance with a Term of more than 6 months, on the date falling 6 months after its Utilisation Date.

10.3 Determination of applicable Margin and Facility Fee

- (a) On any date that the Company notifies the Facility Agent of any change to its long term unsecured debt rating in any Request or pursuant to Clause 19.3 (Information - Miscellaneous) (as determined by S&P or Moody's) the Facility Agent shall determine:
 - (i) the Margin to apply to all Committed Advances and Swingline Advances with a Utilisation Date which occurs in; and
 - (ii) the Facility Fee to apply during,
the period commencing on the date falling one Business Day after receipt by the Facility Agent of that notice (the "Reset Date")

and continuing until the next Reset Date (a "Margin Period").

- (b) The Company shall notify the Facility Agent of its long term debt ratings (as determined by S&P and Moody's) in each Request for a Committed Advance and shall notify those ratings to the Swingline Bank (which shall promptly notify the Facility Agent) in each Request for a Swingline Advance and if it fails to do so, the Margin applicable to the Utilisation or Swingline Advance specified in that Request shall be 1 per cent. per annum.
- (c) The Margin and Facility Fee applicable on and from the date of this Agreement to and including the first Reset Date shall be that determined by the Facility Agent on or prior to the date of this Agreement in accordance with paragraph (c) below and notified to the Company and the Banks on the date of this Agreement.
- (d) Subject to paragraphs (b) above and (e) below, the Margin and Facility Fee applicable during each Margin Period or, as the case may be, prior to the first Reset Date, where the Company's long term debt rating (in each case, taking the higher rating, if there is any difference between the rating applied by S&P and that applied by Moody's and if only one such rating is available relying on that rating) is as set out in Column I below, shall be the percentage rate per annum set opposite that rating in Column II below (in the case of the Margin) or Column III below (in the case of the Facility Fee):

Column I
Rating
Column II
Margin
(per cent. per
annum)
Column III
Facility Fee
(per cent. per
annum)

S&P
Moody's

At least A
At least A2
0.17
0.06

At least A-
At least A3
0.18
0.07

At least
BBB+
At least
Baa1
0.275
0.125

At least BBB
At least
Baa2
0.35
0.15

At least
BBB-
At least
Baa3
0.4125
0.1875

Below BBB-
Below Baa3
0.6625
0.1875

(e) If, on any Reset Date:

- (i) the only outstanding long term debt of the Company to which a rating applies is subordinated debt, the rating of that debt, for the purposes of paragraph (c) above, shall be deemed to be the next sub-grade above the actual rating applied by each of S&P and Moody's; or
- (ii) the Company's long term debt is unrated by both S&P and Moody's, the Margin shall be one per cent. per annum and the Facility Fee shall accrue at 0.375 per cent. per annum.

10.4 Default interest

- (a) If an Obligor fails to pay any amount payable by it under this Agreement, it shall forthwith on demand by the Facility Agent pay interest on the overdue amount from the due date up to the date of actual payment, as well after as before judgment, at a rate (the "default rate") determined by the Facility Agent to be 1 per cent. per annum above the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Committed Advance in the currency of the overdue amount for such successive Terms of such duration as the Facility Agent may reasonably determine (each a "Designated Term").
- (b) The default rate will be determined on each Business Day or the first day of, or two Business Days before the first day of, the relevant Designated Term, as appropriate.
- (c) If the Facility Agent determines that adequate and fair means do not exist for determining LIBOR in the currency of the

overdue amount the default rate will be determined by reference to the cost of funds to the Facility Agent from whatever sources it selects.

(d) Default interest will be compounded at the end of each Designated Term (if calculated by reference to LIBOR).

10.5 Notification of rates of interest and the Facility Fee
The Facility Agent shall promptly notify each relevant Party of the determination of a rate of interest (including, without limitation, the Margin) or the applicable rate of the Facility Fee under this Agreement.

11. OPTIONAL CURRENCIES

11.1 Selection

No Borrower may request an Advance denominated in an Optional Currency unless the Facility Agent has confirmed to the Borrower that the Optional Currency is readily available and freely transferable in the London foreign exchange market but a Borrower may request Swingline Advances denominated in Sterling at any time.

11.2 Change of currency

If, before 4.30 p.m. three Business Days before the Utilisation Date of an Advance to be denominated in an Optional Currency other than Sterling, the Facility Agent receives notice from a Bank that:-

(a) it is impracticable for the Bank to fund its Advance for its Term in that Optional Currency in the ordinary course of business in the London interbank market; or

(b) the use of the proposed Optional Currency might contravene any law or regulation,

then:-

(i) the Facility Agent shall promptly and in any event before 5.30 p.m. three Business Days before that Utilisation Date notify the relevant Borrower;

(ii) if the Facility Agent receives notice from the Borrower by 9.00 a.m. two Business Days before the relevant Utilisation Date, the Advance shall not be made;

(iii) if the Facility Agent does not receive any notice under sub-paragraph (ii) above, it shall notify the relevant Bank to that effect not later than 10.30 a.m. two Business Days before that Utilisation Date and the Advance will be denominated instead in Dollars in an amount equal to its Original Dollar Amount;

(iv) subject to paragraph (v) below the Borrower shall forthwith on demand indemnify the Bank concerned against any liability which the Bank (acting reasonably) incurs as a consequence of the operation of this Clause 11.2;

(v) no Bank shall be entitled to any indemnity under sub-paragraph (iv) above if the Optional Currency in question is any of Deutschmarks, French Francs, Swiss Francs, Italian Lire, Japanese Yen, Finnish Markka, Swedish Kronor, Danish Krone, Spanish Pesetas or Norwegian Kroner and the relevant Bank incurs a loss by reason of funding its Advance in that Optional Currency before 10.30 a.m. on the second Business Day before the relevant Utilisation Date.

11.3 Notification of rates and amounts

The Facility Agent shall notify each relevant Party of any applicable Facility Agent's Spot Rate of Exchange or Original Dollar Amount promptly after it is ascertained.

12. PAYMENTS

12.1 Place

(a) All payments by an Obligor or a Bank under this Agreement, other than payments by the Swingline Bank or by an Obligor to the Swingline Bank in respect of Swingline Advances, shall be made to the Facility Agent to its account at such office or bank as it may, by not less than two Business Days notice in writing, notify to the Obligor or Bank concerned for this purpose.

(b) Payments in respect of Swingline Advances by the Swingline Bank

or by an Obligor to the Swingline Bank shall be made by the relevant Party in accordance with the arrangements agreed between the Swingline Bank and the relevant Obligor on or prior to the date of the Request for that Swingline Advance.

12.2 Funds

Payments under this Agreement to the Facility Agent shall be made for value on the due date at such times and in such funds as the Facility Agent may specify to the Obligor or Bank concerned as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

12.3 Distribution

(a) Each payment received by the Facility Agent under this Agreement for another Party shall, subject to paragraphs (b) and (c) below, be made available by the Facility Agent to that Party by payment (on the date and in the currency and funds of receipt) to its account with such bank in the principal financial centre of the country of the relevant currency as it may notify to the Facility Agent for this purpose by not less than 5 Business Days' prior notice.

(b) The Facility Agent may apply any amount received by it for an Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from an Obligor under this Agreement or in or towards the purchase of any amount of any currency to be so applied.

(c) Where a sum is to be paid under this Agreement to the Facility Agent for the account of another Party, the Facility Agent is not obliged to pay that sum to that Party until it has established that it has actually received that sum. The Facility Agent may, however, assume that the sum has been paid to it in accordance with this Agreement and, in reliance on that assumption, make available to that Party a corresponding amount. If the sum has not been made available but the Facility Agent has paid a corresponding amount to another Party, that Party shall forthwith on demand refund the corresponding amount to the Facility Agent together with interest on that amount from the date of payment to the date of receipt, calculated at a rate determined by the Facility Agent to reflect its cost of funds.

12.4 Currency

(a) A repayment or prepayment of an Advance or a Swingline Advance is payable in the currency in which the Advance or Swingline Advance is denominated.

(b) Interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.

(c) Amounts payable in respect of costs, expenses, taxes and the like are payable in the currency in which they are incurred.

(d) Any other amount payable under this Agreement is, except as otherwise provided in this Agreement, payable in Dollars.

12.5 Set-off and counterclaim

All payments made by an Obligor under this Agreement shall be made without set-off or counterclaim.

12.6 Non-Business Days

(a) If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment shall instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal under this Agreement interest is payable on the principal at the rate payable on the original due date.

12.7 Partial payments

(a) If the Facility Agent receives a payment insufficient to discharge all the amounts then due and payable by the Obligors under this Agreement, the Facility Agent shall apply that payment towards the obligations of the Obligors under this Agreement in the following order:-

(i) first, in or towards payment pro rata of any unpaid costs and expenses of the Agents under this Agreement;

(ii) secondly, in or towards payment pro rata of any accrued

fees due but unpaid under Clause 22.1 (Facility Fee);

- (iii) thirdly, in or towards payment pro rata of any accrued interest due but unpaid under this Agreement;
- (iv) fourthly, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
- (v) fifthly, in or towards payment pro rata of any other sum due but unpaid under this Agreement,

(b) the Facility Agent shall, if so directed by all the Committed Banks and all the Bid Option Banks which have made an Advance which is still outstanding, vary the order set out in sub-paragraphs (a)(ii) to (v) above.

(c) paragraphs (a) and (b) above shall override any appropriation made by an Obligor.

13. TAXES

13.1 Gross-up

All payments by an Obligor under the Finance Documents shall be made without any deduction and free and clear of and without deduction for or on account of any taxes, except to the extent that the Obligor is required by law to make payment subject to any taxes. If any tax or amounts in respect of tax must be deducted, or any other deductions must be made, from any amounts payable or paid by an Obligor, or paid or payable by the Facility Agent to a Bank, under the Finance Documents, the Obligor or the Facility Agent (as the case may be) shall deduct or withhold such amounts as are required by law and remit such deducted or withheld tax or other amounts to the appropriate tax or other authority. Where payments made by an Obligor or the Facility Agent under the Finance Documents are subject to such deduction or withholding, the Obligor concerned shall pay such additional amounts as may be necessary to ensure that the relevant Bank receives a net amount equal to the full amount which it would have received had payment not been made subject to tax or withholding if, and only if, such tax or withholding is imposed as a result of:

- (a) actions taken by a Borrower (other than a novation of a Utilisation to another Borrower (if permitted by the Banks));
- (b) in the case of payments by the Company, changes in United States or Panamanian regulations, tax laws or other statutes or any practice or concession of a tax or other authority;
- (c) in the case of payments by any Borrower other than the Company, a Bank ceasing to be a Qualifying Bank as a result of the introduction of or any change in or change to the interpretation, administration or application of any:
 - (i) treaty, law or regulation; or
 - (ii) any practice or concession of the UK Inland Revenue generally applied to institutions subject to taxation in the United Kingdom

in each case, occurring after the date of this Agreement.

13.2 Tax receipts

All taxes required by law to be deducted or withheld by an Obligor from any amounts paid or payable under the Finance Documents shall be paid by the relevant Obligor when due and the Obligor shall, within 15 days of the payment being made, deliver to the Facility Agent for the relevant Bank evidence satisfactory to that Bank (including all relevant tax receipts) that the payment has been duly remitted to the appropriate authority.

13.3 Refund of tax credits

If:-

- (a) an Obligor makes a payment under Clause 13.1 (Gross-up) (a "Tax Payment") in respect of a payment to a Bank under this Agreement; and
- (b) that Bank determines in its reasonable discretion that it

has obtained a refund of tax or obtained and used a credit against tax on its overall net income (a "Tax Credit") which that Bank in its discretion is able to identify as attributable to that Tax Payment,

then, if it can do so without any material adverse consequences for that Bank, that Bank shall reimburse the relevant Obligor such amount as that Bank reasonably determines to be such proportion of that Tax Credit as will leave that Bank (after that reimbursement) in no better or worse position in respect of its U.K. tax liabilities than it would have been in if no Tax Payment had been required. A Bank shall have an absolute discretion as to whether to claim any Tax Credit (and, if it does claim, the extent, order and manner in which it does so). No Bank shall be obliged to disclose any of its tax affairs or computations to any Obligor.

13.4 Change of Borrower

If a Borrower, other than the Company, is required by law to make payments under the Finance Documents subject to tax or withholding at a rate which is higher than the rate (if any) at which the Company is required to make payments under the Finance Documents subject to tax or withholding, in each case as contemplated by Clause 13.1 (Gross-up), the relevant Borrower and the Company may, while the relevant tax or withholding continues to be required, procure the transfer to the Company and the assumption by the Company of (in each case subject to documentation in form and substance satisfactory to the Facility Agent, acting reasonably), all or the affected part of the relevant Borrower's rights and obligations under the Finance Documents. Any such transfer and assumption shall (subject to payment of the Facility Agent's reasonable costs and expenses (including reasonable legal fees)) be permitted without premium or penalty. If, on the date of any such transfer and assumption, payments by the Company must also be made subject to tax or withholdings, Clause 13.1 (Gross up) shall apply to the rights and obligations transferred to and assumed by the Company as if they had originally been the Company's rights and obligations.

14. MARKET DISRUPTION

(a) If LIBOR is to be determined by reference to Reference Banks and a Reference Bank does not supply an offered rate by 1.00 p.m. on a Rate Fixing Day, the applicable LIBOR shall, subject to paragraph (b) below, be determined on the basis of the quotations of the remaining Reference Banks.

(b) If, in relation to any proposed Utilisation or a Swingline Advance:-

(i) LIBOR is to be determined by reference to Reference Banks and no, or only one, Reference Bank supplies a rate for the purposes of determining the applicable LIBOR; or

(ii) the Facility Agent (acting reasonably) otherwise determines that adequate and fair means do not exist for ascertaining the applicable LIBOR; or

(iii) the Facility Agent receives notification from Banks participating in more than 50 per cent. in value of the proposed Advances or (in the case of Swingline Advance) from the Swingline Bank that, in their or its opinion:-

(1) matching deposits will not be available to them or it (as the case may be) in the London interbank market in the ordinary course of business to fund their Advances for the relevant Term; or

(2) the cost to them or it (as the case may be) of matching deposits in the London interbank market would be in excess of the relevant LIBOR,

the Facility Agent shall promptly notify the Company and the relevant Banks or the Swingline Bank (as appropriate) of the fact and that this Clause 14 is in operation.

(c) After any notification under paragraph (b) above:-

(i) the Company and the Banks or the Swingline Bank (as appropriate) may agree (through the Facility Agent) that the Advances comprised in the Utilisation or the relevant

Swingline Advance shall not be made;

(ii) in the absence of such agreement:-

- (A) in the case of Advances, the Term of the Advances concerned shall be one month;
- (B) in the case of a Swingline Advance, its Term shall be 14 days; and
- (C) during the Term of each Advance or Swingline Advance the rate of interest applicable to that Advance or Swingline Advance (as the case may be) shall be the applicable Margin plus the rate per annum which expresses as a percentage rate per annum the cost to the Bank concerned of funding that Advance or Swingline Advance (as the case may be) from whatever sources it may reasonably select, which rate shall be notified by the Bank concerned to the Facility Agent before that last date of such Term plus, in the case of a Swingline Advance, the MLA Cost.

15. INCREASED COSTS

15.1 Increased costs

(a) Subject to Clause 15.2 (Exceptions), the Company shall within 5 days of demand by a Finance Party pay that Finance Party the amount of any increased cost incurred by it as a result of any change in or change in the interpretation or application of any law or regulation (including any relating to taxation or reserve asset, special deposit, cash ratio, liquidity or capital adequacy requirements or any other form of banking or monetary control). Any Finance Party intending to make a demand under this Clause 15.1 shall notify the Company as soon as practicable, upon becoming aware of the same, that it has incurred an increased cost.

(b) In this Agreement "increased cost" means:-

- (i) an additional cost incurred by a Finance Party as a result of it having entered into, or performing, maintaining or funding its obligations under, this Agreement; or
- (ii) that portion of an additional cost incurred by a Finance Party in making, funding or maintaining all or any advances comprised in a class of advances formed by or including the Advances or the Swingline Advances made or to be made by it under this Agreement as is attributable to it making, funding or maintaining its Advances or Swingline Advances (as the case may be); or
- (iii) a reduction in any amount payable to a Finance Party or the effective return to a Finance Party under this Agreement or on its capital; or
- (iv) the amount of any payment made by a Finance Party, or the amount of interest or other return foregone by a Finance Party, calculated by reference to any amount received or receivable by a Finance Party from any other Party under this Agreement.

15.2 Exceptions

Clause 15.1 (Increased costs) does not apply to any increased cost:-

- (a) in the case of the Swingline Bank, compensated for by the MLA Cost or, in the case of any other Bank, which relates to a cost imputed to that Bank in respect of an Advance in Sterling of complying with the mandatory liquid assets requirements of the Bank of England;
- (b) compensated for by the operation of Clause 13 (Taxes) or which would have been compensated for if (in the case of payments by Borrowers other than the Company) the Bank was a Qualifying Bank or if one of the other exceptions to Clause 13.1 (Gross-up) had not applied;
- (c) attributable to any change in the rate of tax on the overall net income of a Bank (or the overall net income of a division or branch of the Bank) imposed in the jurisdiction in which its principal office or Facility Office is situate; or

- (d) which is incurred in consequence of the implementation of matters set out in the report of the Basle Committee on Banking Regulations and Supervisory Practices dated July, 1988 and entitled "International Convergence and Capital Measurement and Capital Standards".

16. ILLEGALITY AND MITIGATION

16.1 Illegality

If it is or becomes unlawful in any jurisdiction for a Finance Party to give effect to any of its obligations as contemplated by this Agreement or to fund or maintain any Advance or Swingline Advance, then:-

- (a) the Finance Party may notify the Company through the Facility Agent accordingly; and
- (b) (i) each Borrower shall within the period allowed (by the relevant regulation or legislation) or, (if no period is allowed) forthwith prepay any Advances or Swingline Advances made to it by that Finance Party together with all other amounts payable by it to that Finance Party under this Agreement; and
- (ii) if the Finance Party is a Committed Bank or an Affiliate of a Committed Bank, its Commitment shall be cancelled; and
- (iii) if the Finance Party is the Swingline Bank the Swingline Commitment shall be cancelled.

16.2 Mitigation

Notwithstanding the provisions of Clauses 13 (Taxes), 15 (Increased costs) and 16.1 (Illegality), if in relation to a Bank or (as the case may be) the Facility Agent, circumstances arise which would result in:

- (a) any deduction, withholding or payment of the nature referred to in Clause 13 (Taxes); or
- (b) any increased cost of the nature referred to in Clause 15 (Increased costs); or
- (c) a notification pursuant to Clause 16.1 (Illegality),

then without in any way limiting, reducing or otherwise qualifying the rights of that Bank, that Bank shall upon becoming aware of the same notify the Facility Agent thereof (whereupon the Facility Agent shall notify the Company) and such Bank shall use all reasonable endeavours to transfer its participation (or to procure the transfer of its Affiliated Bank's participation (as the case may be)) in the Committed Advance Facility or the Swingline Facility (as the case may be) and its rights hereunder and under the Finance Documents to another financial institution or Facility Office not affected by the circumstances having the results set out in (a), (b) or (c) above and shall otherwise take such reasonable steps as may be open to it to mitigate the effects of such circumstances provided that such Bank shall not be under any obligation to take any such action if, in its reasonable opinion, to do so might have a material adverse effect upon its business, operations or financial condition or those of its Affiliated Bank or might involve it or its Affiliated Bank in any unlawful activity or any activity that is contrary to any request, guidance or directive of any competent authority (whether or not having the force of law) or might involve it or its Affiliated Bank in any unusual expense or any tax disadvantage.

17. GUARANTEE

17.1 Guarantee

The Company irrevocably and unconditionally:-

- (a) indemnifies each Finance Party against any loss or liability suffered by it because of any failure by a Borrower to perform promptly any of its obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever a Borrower other than the Company does not pay any amount when due or within 3 Business Days of its due date (disregarding, for this purpose, any grace period provided for in Clause 20.2

(Non-payment)) under or in connection with any Finance Document, the Company shall within 5 Business Days of a demand by the Facility Agent pay that amount as if the Company instead of the relevant Borrower were expressed to be the principal obligor (and the Company's obligation to make that payment shall not be subject to any grace period available to it under Clause 20.2 (Non-payment)); and

- (c) indemnifies each Finance Party on demand against any loss or liability suffered by it if any obligation guaranteed by the Company is or becomes unenforceable, invalid or illegal.

17.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by the Borrowers under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

17.3 Reinstatement

- (a) Where any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Company under this Clause 17 shall continue as if the discharge or arrangement had not occurred.

- (b) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

17.4 Waiver of defences

The obligations of the Company under this Clause 17 will not be affected by any act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause 17 or prejudice or diminish those obligations in whole or in part, including (whether or not known to it or any Finance Party):-

- (a) any time or waiver granted to, or composition with, any Borrower or other person;
- (b) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Borrower or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (c) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of a Borrower or any other person;
- (d) any variation (however fundamental) or replacement of a Finance Document or any other document or security so that references to that Finance Document in this Clause 17 shall include each variation or replacement;
- (e) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, to the intent that the Company's obligations under this Clause 17 shall remain in full force and its guarantee be construed accordingly, as if there were no unenforceability, illegality or invalidity;
- (f) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any Borrower under a Finance Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Company's obligations under this Clause 17 shall be construed as if there were no such circumstance.

17.5 Immediate recourse

The Company waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed

against or enforce any other rights or security or claim payment from any person before claiming from the Company under this Clause 17.

17.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:-

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Company shall not be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any moneys received from the Company or on account of the Company's liability under this Clause 17, until such time as the aggregate amount (including interest) standing to the credit of such account and all other amounts recovered or held in such suspense account by the Finance Parties in respect of amounts due and payable by the Obligors equals the amount due and payable by the Obligors under or in respect of the Finance Documents.

17.7 Non-competition

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Company shall not, after a claim has been made or by virtue of any payment or performance by it under this Clause 17:

- (a) be subrogated to any rights, security or moneys held, received or receivable by any Finance Party (or any trustee or agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Company's liability under this Clause 17;
- (b) claim, rank, prove or vote as a creditor of any other Obligor or its estate in competition with any Finance Party (or any trustee or agent on its behalf); or
- (c) receive, claim or have the benefit of any payment, distribution or security from or on account of any other Obligor, or exercise any right of set-off as against any other Obligor.

The Company shall hold in trust for (except to the extent that a Security Interest is created thereby) and forthwith pay or transfer to the Facility Agent for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause 17.7.

17.8 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other security now or hereafter held by any Finance Party.

18. REPRESENTATIONS AND WARRANTIES

18.1 Representations and warranties

Each Obligor makes the representations and warranties in this Clause 18 (Representations and warranties) to each Finance Party.

18.2 Status, powers and compliance with laws

- (a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of Panama and has all requisite corporate power and authority under such laws to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted, and to execute, deliver and perform its obligations under the Finance Documents to which it is, or will be, a party;
- (b) Each Borrower other than the Company is a limited liability company, duly incorporated and validly existing under the laws of England and has all requisite corporate power and authority under those laws to own or lease and operate its properties and

to carry on its business as now conducted and as proposed to be conducted and to execute, deliver, and perform its obligations under the Finance Documents to which it is, or will be, a party.

- (c) Each member of the Restricted Group is duly qualified or licensed to do business and is in good standing, where applicable, in all jurisdictions in which it owns or leases property (including vessels), or proposes to own or lease property (including vessels), or in which the conduct of its business requires it to so qualify or be licensed, except to the extent that the failure to so qualify or be in good standing would have no material adverse effect on the business, operations, properties, prospects or condition (financial or otherwise) of the Restricted Group or on the ability of any such person to perform its obligations under any of the Finance Documents to which it is or may be a party; and
- (d) Each member of the Restricted Group is in compliance in all material respects with all applicable laws, rules, regulations and orders.

18.3 Corporate authorities and no conflicts

The execution, delivery and performance by it of each Finance Document to which it is or will be a party are within its corporate powers and have been duly authorised by all necessary corporate and stockholder approvals and:

- (a) do not contravene its constitutional documents or its charter or by-laws or any law, rule, regulation, judicial or official order or decree applicable to or binding on it or on any member of the Restricted Group; and
- (b) do not contravene, and will not result in the creation of any Security Interest under, any provision of any agreement to which it or any member of the Restricted Group is a party, or by which it or any of them or any of its or their respective properties are bound.

18.4 Government approvals and authorisations

No authorisation or approval (including exchange control approval) or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by or enforcement against it of the Finance Documents to which it is a party (except such as have been duly obtained or made and remain in full force and effect).

18.5 Legal Validity

Each Finance Document to which it is a Party is, or upon execution will be, its legal, valid and binding obligation enforceable against it in accordance with its terms (except as enforcement may be limited by bankruptcy, moratorium, insolvency, reorganisation or similar laws generally affecting creditors' rights generally or by general equitable principles).

18.6 Accounts

Its audited accounts most recently delivered to the Facility Agent which at the date on which it becomes a Party are its Original Accounts (if any):-

- (a) have been prepared in accordance with GAAP consistently applied; and
- (b) fairly represent its financial condition and the results of its operations as at the date to which they were drawn up,

and there has been no material adverse change:

- (i) in the case of the Company, in the business, operations, properties or condition (financial or otherwise) of the Restricted Group taken as a whole; and
- (ii) in any other case, in its business, operations, properties or condition (financial or otherwise),

in each case, since the date to which those accounts were drawn up.

18.7 Litigation

There is not pending nor, to its knowledge upon due inquiry and investigation, threatened any arbitration, litigation, action

or proceeding affecting any member of the Group by or before any court, governmental agency or arbitrator, which reasonably could be expected:

- (a) to affect materially and adversely the assets, business, properties, prospects, operations or condition (financial or otherwise) of the Group taken as a whole; or
- (b) to prohibit, limit in any way or materially adversely affect the transactions contemplated by the Finance Documents, including, without limitation, the ability of any Obligor to perform its obligations under this Agreement.

18.8 Immunities

No member of the Group, nor any of their respective property, has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of the jurisdiction of organisation.

18.9 No taxes

In the case of the Company, there is no tax, levy, impost, deduction, charge or withholding or similar item imposed:

- (a) by Panama or the United States of America, or by any political subdivision of either of them, on or by virtue of the execution and delivery of these representations and warranties, the execution or delivery or enforcement of this Agreement or any other document to be furnished under it; or
- (b) by Panama or the United States of America, or by any political subdivision of either of them, on any payment to be made by it under this Agreement, other than taxes on or measured by net income imposed by any such jurisdiction in which a Bank is incorporated or has a fixed place of business,

provided that, to the extent that the representations set out in this Clause 18.9 apply to stamp taxes, imposts or similar duties, they shall only be deemed made if and to the extent that this Agreement is kept by the Facility Agent in any of the United Kingdom or the States of New York and North Carolina.

18.10 No filing

It is not necessary that this Agreement be filed or recorded with any court or other authority in Panama or the State of Florida or its jurisdiction of incorporation (if different), or that any stamp or similar tax be paid on or with respect to any Finance Document to ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document except to the extent set out in Clause 18.9 (No taxes).

18.11 No Default

- (a)
 - (i) in the case of a Swingline Advance and a Utilisation other than a Rollover Utilisation, no Default is outstanding or might result from that Utilisation; and
 - (ii) in the case of a Rollover Utilisation, no Event of Default is outstanding or might result from that Utilisation.
- (b) there does not exist any event of default, or any event that with notice or lapse of time or both would constitute an event of default, under any agreement (other than this Agreement) to which any member of the Group is a party or by which any of them may be bound, or to which any of their properties or assets may be subject, which default would have a material adverse effect on the Group taken as a whole, or would materially adversely affect the ability of the Obligors to perform their respective obligations under this Agreement.

18.12 Margin regulations

No part of the proceeds of any Advance or Swingline Advance will be used for any purpose that violates the provisions of any of Regulations D, G, T, U or X of the Board of Governors of the Federal Reserve System of the United States of America or any other regulation of such Board of Governors. No member of the Group is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, within the

meaning of Regulations G, T, U and X issued by the Board of Governors of the Federal Reserve System of the United States of America.

18.13 Investment Company Act

It is not an "investment company" or a company "controlled" by an "investment company" (as each of such terms is defined or used in the Investment Company Act of 1940 of the United States of America, as amended).

18.14 Taxes paid

(a) Each member of the Restricted Group:

(i) has filed or caused to be filed, or has timely requested an extension to file or has received from the relevant governmental authorities an extension to file, all material tax returns which are required to have been filed; and

(ii) has paid all taxes shown to be due and payable on said returns or extension requests or on any material assessments made against it or any of its properties, and all other material taxes, fees or other charges imposed on it or any of its properties by any governmental authority (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which appropriate reserves in conformity with the applicable GAAP have been provided on its books); and

(b) no material tax liens have been filed and no material claims are being asserted with respect to any such taxes, fees or other charges other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which appropriate reserves in accordance with GAAP have been provided on its books,

provided, however, that the representations and warranties made in subparagraphs (a)(i) and (ii) above with respect to HAL and the HAL Subsidiaries acquired on or about 17th January, 1989 are limited to tax returns required to be filed with respect to the period since 1st January, 1989.

18.15 Disclosure

No representation, warranty or statement made or document or financial statement provided by any member of the Group or any Affiliate of the Company, in or pursuant to any Finance Document, or in any other document furnished in connection with any of them, is untrue or incomplete in any material respect or contains any misrepresentation of a material fact or omits to state any material fact necessary to make any such statement herein or therein not misleading;

18.16 Good title

It has good title to its properties and assets, except (in the case of the Company) for:

(a) existing or future Security Interests or conditional sales arrangements either securing Indebtedness or other liabilities of a member of the Group, or those which the Company in its reasonable business judgment has determined would not be reasonably expected to materially interfere with the business or operations of the Group as conducted from time to time, in each case, which are permitted under the terms of this Agreement; and

(b) minor irregularities therein which do not materially adversely affect their value or utility.

18.17 ERISA

(a) No Insufficiency or Termination Event has occurred or is reasonably expected to occur, and no "accumulated funding deficiency" exists and no "variance" from the "minimum funding standard" has been granted (each such term as defined in Part III, Subtitle B, of Title I of ERISA) with respect to any Plan (other than any Multiemployer Plan or Plan that has been terminated and all the liabilities of which have been satisfied in full prior to 30th March, 1990) in which any member of the Restricted Group is a participant;

(b) none of the Company nor any ERISA Affiliate (other than the Specified Subsidiaries) has incurred, or is reasonably expected

to incur, any Withdrawal Liability to any Multiemployer Plan;
and

- (c) none of the Company nor any ERISA Affiliate (other than the Specified Subsidiaries) has received any notification that any Multiemployer Plan in which it is a participant is in reorganisation or has been terminated, within the meaning of Title IV of ERISA, and no such Multiemployer Plan is reasonably expected to be in reorganisation or to be terminated within the meaning of Title IV of ERISA.

18.18 Solvency
It is, and on each Utilisation Date will be, Solvent.

18.19 Times for making representations and warranties
The representations and warranties set out in this Clause 18 (Representations and warranties):-

- (a) (i) in the case of an Obligor which is a Party on the date of this Agreement, are made by that Obligor on that date; and
- (ii) in the case of a Borrower which becomes a Party after the date of this Agreement, will be deemed to be made by that Borrower on the date it executes a Borrower Accession Agreement; and
- (b) (other than the representation set out in Clause 18.15 (Disclosure)) are deemed to be repeated by each Obligor on the date of each Request and each Utilisation Date with reference to the facts and circumstances then existing.

19. UNDERTAKINGS

19.1 Duration
The undertakings in this Clause 19 (Undertakings) remain in force from the date of this Agreement for so long as any amount is or may be outstanding under this Agreement or any Commitment is in force.

19.2 Financial information
The Company shall supply to the Facility Agent in sufficient copies for all the Banks:-

- (a) as soon as the same are available (and in any event within 120 days of the end of each of its financial years):-
- (i) in the case of the Company:
- (A) the audited consolidated financial statements of:
- (i) the Company; and
- (ii) Kloster (if such audited statements are required to be produced by any person other than the Finance Parties); and
- (B) the unaudited consolidated financial statements of Kloster if audited financial statements are not so required.
- (ii) as soon as the same are available (and in any event within 180 days of the end of the financial years of the relevant Obligor), the audited financial statements of each Obligor (other than the Company) for that financial year,

each set of financial statements of the Company delivered under sub-paragraph (i) above shall set forth in comparative form, the corresponding figures for the preceding financial year (excluding, as to any Subsidiary acquired after the date of this Agreement, corresponding information for the period preceding its acquisition). All such audited consolidated financial statements to be delivered by and in respect of the Company shall be accompanied by an opinion thereon of independent certified public accountants of recognised national standing in the United States of America acceptable to the Facility Agent, stating that those financial statements fairly present the consolidated financial condition and results of operations of each of:

- (1) the Company, and
- (2) Kloster (if required other than by the Finance Parties),

as at the end of, and for, that financial year;

(b) (in the case of the Company) as soon as the same become available and in any event within 75 days after the end of each financial quarter of each of its financial years:

(i) unaudited consolidated statements of income, retained earnings and cash flow of:

(A) the Company; and

(B) Kloster,

in each case for each such quarterly period and for the period from the beginning of its then current financial year to the end of such period; and

(ii) related unaudited consolidated balance sheets of:

(A) the Company; and

(B) Kloster,

in each case as at the end of each such quarterly period.

(iii) Delivery of the Company's quarterly financial statements containing information required to be filed with the Securities and Exchange Commission of the United States of America on Form 10-Q (as in effect on the date of this Agreement) shall satisfy the requirements of this paragraph (b) to the extent that those requirements relate to the Company's consolidated financial information, however such requirements shall not be satisfied if the Company makes no such filings or if there is a material change after the date of this Agreement in the form or substance of financial disclosures and financial information required to be set out in Form 10-Q.

(iv) All unaudited consolidated financial statements delivered under this paragraph (b) shall be accompanied by a certificate of a senior financial officer of the Company, stating that those financial statements fairly present the consolidated financial condition and results of the operations of each of:

(1) the Company; and

(2) Kloster,

as at the end of, and for, the period to which they relate (subject to normal year end audit adjustments) in accordance with GAAP, consistently applied;

(c) in the case of the Company:

(i) as soon as the same become available, but in any event not later than 15th January of each calendar year beginning on or after 1st January 1997, a five year cash flow projection and the related income statement and a balance sheet for the Company;

(ii) together with the financial statements specified in paragraph (a)(i) above, a certificate signed by a senior financial officer of the Company setting out in reasonable detail computations establishing compliance with Clause 19.21 (Financial covenants) as at the date to which those financial statements were drawn up; and

(iii) together with the financial statements specified in paragraph (b)(i) above, a certificate signed by a senior financial officer on its behalf setting out in reasonable detail computations establishing compliance with Clause 19.21 (Financial covenants) as at the date to which those financial statements were drawn up,

except that the Company shall have no obligation to provide any information in respect of any Specified Subsidiary if that Specified Subsidiary is not or has ceased to be a member of the Group.

19.3 Information - Miscellaneous

Each Obligor shall supply to the Facility Agent:-

- (a) all documents despatched by it to the shareholders of the Company at the same time as they are despatched;
- (b) promptly upon their becoming available copies of all registration statements and periodic reports which each of the Company and Kloster shall have filed with the Securities and Exchange Commission of the United States of America or any national securities exchange or market and any ratings (and changes thereto) of its debt by Standard & Poor's Corporation and Moody's Investors Service;
- (c) as soon as reasonably possible, copies of all reports and notices which any member of the Group files under ERISA with the Internal Revenue Service, the PBGC, the U.S. Department of Labor or the sponsor of a Multiemployer Plan, or which any member of the Group receives from the PBGC or the sponsor of a Multiemployer Plan related to:
 - (i) any Termination Event; and
 - (ii) with respect to a Multiemployer Plan:
 - (A) any Withdrawal Liability;
 - (B) any actual or expected reorganisation (within the meaning of Title IV of ERISA); or
 - (C) any termination of a Multiemployer Plan (within the meaning of Title IV of ERISA); and
- (d) promptly, such further information in the possession or control of any member of the Group regarding its financial condition and operations as any Finance Party may reasonably request,

in sufficient copies for all of the Banks, if the Facility Agent so requests, but the Company will not be obliged to provide any information relating to any Specified Subsidiary if that Specified Subsidiary is not or has ceased to be a member of the Group.

19.4 Notification of Default

Each Obligor shall notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon its occurrence.

19.5 Compliance certificates

The Company shall supply to the Facility Agent:-

- (a) together with the accounts specified in Clause 19.2(a) (i) (Financial Information); and
- (b) promptly at any other time, if the Facility Agent reasonably so requests,

a certificate signed by a senior officer on its behalf certifying that no Default is outstanding or, if a Default is outstanding, specifying the Default and the steps, if any, being taken to remedy it.

19.6 Authorisations

Each Obligor shall promptly:-

- (a) obtain, maintain and comply with the terms of; and
- (b) supply certified copies to the Facility Agent of,

any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, any Finance Document.

19.7 Pari passu ranking

Each Obligor shall procure that its obligations under the Finance Documents do and will rank at least pari passu with all its other present and future unsecured obligations, except for taxes, national insurance contributions, local or water authority rates and employee remuneration and benefits which are mandatorily preferred by law applying to companies generally.

19.8 Negative pledge

(a) No Obligor shall, and the Company shall procure that no other member of the Group will, create or permit to subsist any Security Interest securing Indebtedness on any of its assets.

(b) Paragraph (a) does not apply to:

(i) any lien arising by operation of law in the ordinary course of business and securing amounts not more than 30 days overdue; or

(ii) Security Interests created by the Company over its interests in any Specified Subsidiary;

(iii) any Security Interests (other than those referred to in paragraph (ii) above) securing Indebtedness in an amount not exceeding thirty five per cent. (35%) of the amount of the total assets of the Company at any time (as shown in its then most recent consolidated balance sheet of the Group excluding the Specified Subsidiaries and excluding the value of any intangible assets).

19.9 Disposals

Unless permitted under Clause 19.10 (Mergers, acquisitions and asset disposals) no Obligor shall, and the Company shall procure that no other member of the Group will, either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, in any one financial year sell, transfer, grant or lease or otherwise dispose of assets of the Group with a book value in excess of \$250,000,000 (but excluding any sale or disposal of any or all of the assets or capital stock of any Specified Subsidiary or any member of the Windstar Group).

19.10 Mergers, acquisitions and asset disposals

(a) The Company:

(i) shall preserve and maintain in full force and effect its corporate existence and its rights and those of its Subsidiaries;

(ii) shall not and shall procure that no other member of the Group will:

(A) merge or amalgamate with or into or convey, transfer, lease or otherwise dispose of (whether in one transaction or a series of transactions) all or substantially all of its assets (whether now or hereafter acquired); or

(B) acquire all or substantially all of the assets of any person.

(b) The Company shall procure that no member of the Windstar Group shall:

(i) acquire any assets of any member of the Non-Windstar Group; or

(ii) merge or amalgamate with or into any member of the Non-Windstar Group unless the relevant member of the Non-Windstar Group is the surviving entity.

(c) Notwithstanding paragraph (a) above:

(i) any member of the Restricted Group other than a member of the Windstar Group may:

(A) merge or amalgamate with the Company if the surviving entity is the Company;

(B) transfer assets to the Company; and

(C) acquire assets of the Company, so long as those assets

do not constitute a substantial part of the assets of the Company;

- (ii) any member of the Restricted Group other than the Company or a member of the Windstar Group may:
 - (A) merge or amalgamate with any other member of the Restricted Group other than the Company so long as, if the merger is with a Borrower, the Borrower is the surviving entity; and
 - (B) transfer assets to any other member of the Restricted Group other than the Company;
- (iii) any Specified Subsidiary may:
 - (A) merge or amalgamate with any member of the Restricted Group so long as the member of the Restricted Group is the surviving entity; and
 - (B) dispose of assets to any member of the Group;
- (iv) any member of the Group may acquire substantially all of the assets of any person which is not a member of the Group if that member of the Group is the surviving entity; and
- (v) the Company may change its jurisdiction of incorporation by merger, amalgamation or otherwise, with the prior consent of the Majority Committed Banks (such consent not to be unreasonably withheld or delayed).

19.11 Insurance

The Company shall, and shall cause each of its Subsidiaries to, insure and keep insured, with financially sound and reputable insurers, so much of its properties, in such amounts and against such risks, as to all the foregoing, in each case, reasonably satisfactory to the Banks and as are usually and customarily insured by companies engaged in a similar business with respect to properties of a similar character.

19.12 The Company's stock

The Company shall ensure that at all times the number of the issued and outstanding shares of its capital stock at least sufficient to elect a majority of the Company's board of directors shall be beneficially owned, directly or indirectly, by Mr. Ted Arison or the members of his immediate family, free and clear of Security Interests in favour of any other person.

19.13 Solvency

The Company shall procure that it is and shall be at all times Solvent.

19.14 Limitation on payment restrictions affecting Subsidiaries

The Company shall not create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction (other than those contained in or permitted by or through any other provision of the Finance Documents) on the ability of any Subsidiary to:

- (a) pay dividends or make any other distributions on such Subsidiary's capital stock or pay any Indebtedness owed to any member of the Group;
- (b) make loans or advances to any member of the Group; or
- (c) transfer any of its property or assets to any member of the Group.

19.15 Transactions with officers, directors and shareholders

The Company shall not enter or permit any of its Subsidiaries to enter into any transaction or agreement, including (without limitation) any lease, Capital Lease, purchase or sale of real property, purchase of goods or services, with any Subsidiary, Affiliate or any officer, or director of the Company or of any such Subsidiary or Affiliate, or any recorded or known beneficial owner of equity securities of any such Subsidiary, any known, recorded or beneficial owner of equity securities of any such Affiliate or the Company, or any recorded or beneficial owner of at least five per cent (5%) of the equity securities of the Company, except on terms that are no less favourable to

the relevant member of the Group than:

- (a) those that could have been obtained in a comparable transaction by that member of the Group with an unrelated person; and
- (b) those that are between Subsidiaries which are consolidated for financial reporting purposes with the Company.

19.16 Compliance with ERISA

The Company shall not become party to any prohibited transaction, reportable event, accumulated funding deficiency or plan termination, all within the meaning of ERISA and the Code with respect to any Plan as to which there is an Insufficiency, nor permit any Subsidiary to do so (except with respect to a Multiemployer Plan if the foregoing shall result from the act or omission of a person party to such Multiemployer Plan other than a member of the Group).

19.17 Investment company

The Company shall not and shall not permit any of its Subsidiaries to be or become an investment company subject to the registration requirements of the Investment Company Act of 1940 of the United States of America, as amended.

19.18 Organisational documents

The Company shall not, without the prior written consent of the Facility Agent (acting on the instructions of the Majority Committed Banks) amend its articles of incorporation or by-laws (or similar constitutive documents) unless the relevant amendment would not adversely affect the rights of the Finance Parties under this Agreement.

19.19 Syndication

The Company shall use reasonable efforts to assist the Arranger in effecting Syndication to banks and the financial institutions which are Qualifying Banks including (a) the provision by it and procuring the possession by its advisers of such information available to the Company as may be reasonably deemed necessary by the Arranger in connection with Syndication (including, without limitation, in connection with the preparation of an information memorandum for potential lending institutions) and (b) making available the management of and advisers to the Company and its Subsidiaries for the purposes of making presentations to potential lending institutions.

19.20 Clear market

The Company will not and will procure that no member of the Group will, prior to the completion of Syndication, authorise, enter into, announce or permit to be announced the terms of any Indebtedness to any syndicate of banks other than under this Agreement, which Indebtedness could, in the opinion of the Arranger, have a negative and adverse effect on the Syndication so long as the Syndication Date falls no later than the date falling three months after the date of this Agreement.

19.21 Financial covenants

The Company shall ensure that:

- (a) the ratio of its Total Debt to Total Capital, tested quarterly, shall be at all times less than fifty per cent. (50%);
- (b) at the end of each of its financial quarters, the amount of its Consolidated Cash Flow shall be, as at the end of each of the four financial quarters immediately preceding covenant testing, at least 125% of the sum of the aggregate amount of:
 - (i) dividend payments;
 - (ii) scheduled principal loan repayments; and
 - (iii) scheduled Capital Lease payments made, in respect of the Company, on a consolidated basis excluding the Specified Subsidiaries,

in the four financial quarters immediately preceding covenant testing;

- (c) at the end of each month, the sum of the unencumbered cash

plus the current value of short term investments (in conformity with GAAP) of the Restricted Group shall equal at least Fifty Million Dollars (\$50,000,000);

(d) the Tangible Net Worth of the Restricted Group shall exceed, on a financial quarterly basis, the sum of:

(i) \$835,000,000; and

(ii) fifty per cent. (50%) of cumulative consolidated net income (excluding any losses) of the Restricted Group beginning 1st December, 1992.

20. DEFAULT

20.1 Events of Default

Each of the events set out in Clauses 20.2 (Non-payment) to 20.15 (Material adverse change) (inclusive) is an Event of Default (whether or not caused by any reason whatsoever outside the control of any Obligor or any other person).

20.2 Non-payment

An Obligor does not pay on the due date any amount payable by it under the Finance Documents at the place at and in the currency in which it is expressed to be payable and, if the failure to pay relates to an amount other than the principal amount of an Advance or Swingline Advance, the failure is not remedied within 8 Business Days of the due date.

20.3 Breach of other obligations

An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 20.2 (Non-payment)) and the default (if capable of remedy) is not remedied within 10 days of the Facility Agent giving notice of the default to the Company.

20.4 Misrepresentation

A representation, warranty or statement made or repeated in or in connection with any Finance Document by any Obligor under or in connection with any Finance Document is incorrect in any material respect when made or deemed to be made or repeated.

20.5 Cross-default

(a) Any member of the Restricted Group shall fail to pay any amount or amounts due in respect of Indebtedness (but excluding Indebtedness resulting from Advances) (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to that Indebtedness; or

(b) any other default under one or more agreements or instruments relating to Indebtedness of a member of the Restricted Group (but excluding Indebtedness resulting from Advances) or any other event, shall occur and shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to that Indebtedness if the effect of that event is to accelerate, or to permit the acceleration of, the maturity of that Indebtedness; or

(c) any Indebtedness of a member of the Restricted Group shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled or required prepayment) prior to the stated maturity thereof,

provided that the aggregate amount of any such Indebtedness referred to in any or all of paragraphs (a) to (c) (inclusive) above equals or exceeds \$20,000,000 or its equivalent in other currencies.

20.6 Insolvency

A member of the Restricted Group shall:

(a) generally not pay its debts as they become due; or

(b) threaten to stop making payments generally; or

(c) admit in writing its inability to pay its debts generally; or

(d) make a general assignment for the benefit of its creditors; or

(e) not be Solvent; or

(f) be unable to pay its debts; or

20.7 Insolvency proceedings

(a) Any proceeding shall be instituted in any jurisdiction by or against any member of the Restricted Group:

(i) seeking to adjudicate it bankrupt or insolvent;

(ii) seeking its liquidation, winding up, reorganisation, arrangement, adjustment, protection, relief, or composition of its debts under any law relating to bankruptcy, insolvency or reorganisation or relief of debtors; or

(iii) seeking an administration order, an order for relief, or the appointment of a receiver, trustee, or other similar official, for it or for any substantial part of its property,

so long as in the case of any such proceeding instituted against but not by a member of the Restricted Group, in respect of any process other than administration:

(A) such proceeding shall remain undismissed or unstayed for a period of forty-five (45) days; or

(B) an Event of Default shall not occur if any of the relief sought in such proceeding (including, without limitation the entry of an order for relief against it or against the appointment of a receiver, trustee, custodian or other similar official for it or any substantial part of its property) shall be granted within that 45 day period; or

(b) a member of the Restricted Group shall take any corporate action to authorise any of the actions set forth in paragraph (a) above; or

(c) any director, or if one or more directors are elected and acting, any two directors of the member of the Restricted Group or any person owning directly, or indirectly, shares of capital stock of a member of the Restricted Group in a number sufficient to elect a majority of directors of that member of the Restricted Group shall take any preparatory or other steps to convene a meeting of any kind of a member of the Restricted Group, or any meeting is convened or any other preparatory steps are taken, for the purpose of considering or passing any resolution or taking any corporate action to authorise any of the actions set forth above in paragraph (a) above.

(d) any order for the winding-up or administration of any member of the Restricted Group is made.

20.8 Appointment of receivers and managers

Any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or the like is appointed in respect of any member of the Restricted Group or any substantial part of its assets.

20.9 Creditors' process

One or more judgments or orders for the payment of money, singly or in the aggregate, in excess of an amount equal to \$10,000,000 shall be rendered against a member of the Restricted Group and either:

(a) enforcement proceedings shall have been commenced by any creditor upon such judgment or order; or

(b) there shall have elapsed any period of ten (10) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not have been in effect.

20.10 Analogous proceedings

There occurs, in relation to a member of the Restricted Group, any event anywhere which, in the reasonable opinion of the Majority Committed Banks, appears to correspond with any of those mentioned in Clauses 20.6 (Insolvency) to 20.9 (Creditors' process) (inclusive) and any time period referred to in the relevant Clause has lapsed.

- 20.11 Unlawfulness
It is or becomes unlawful for any Obligor to perform any of its obligations under the Finance Documents to which it is a party.
- 20.12 Guarantee
The guarantee of the Company is not effective or is alleged by an Obligor to be ineffective for any reason.
- 20.13 Ownership of the Obligors
Any Borrower (other than the Company) is not or ceases to be a wholly owned Subsidiary of the Company.
- 20.14 Ownership of the Company
Micky Arison or Ted Arison (or, in the event of his death, a member of his immediate family or another person acceptable to the Banks) shall cease to own, directly or indirectly, shares of capital stock of the Company entitled to elect directors, in a number of shares at least sufficient to elect a majority of directors of the Company.
- 20.15 Material adverse change
An extraordinary event shall occur or a material adverse change affecting the business or operations of the Company shall occur, which situation or change gives reasonable grounds to conclude that the Company will not, or will be unable to, perform or observe, in the normal course, its obligations under the Finance Documents to which it is a party.
- 20.16 Acceleration
On and at any time after the occurrence of an Event of Default the Facility Agent may, and shall if so directed by the Majority Committed Banks, by notice to the Company:-
- (a) cancel the Total Commitments and the Swingline Commitment; and/or
 - (b) demand that all the Advances and Swingline Advances, together with accrued interest, and all other amounts accrued under this Agreement be immediately due and payable, whereupon they shall become immediately due and payable; and/or
 - (c) demand that all the Advances and Swingline Advances be payable on demand, whereupon they shall immediately become payable on demand.
21. THE AGENTS AND THE ARRANGER
- 21.1 Appointment and duties of the Agents
- (a) Each Finance Party (other than the Facility Agent) irrevocably appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.
 - (b) Each Borrower irrevocably appoints the Bid Option Agent to act as its agent under the Finance Documents in connection with the obtaining and receipt of offers in relation to Utilisations of the Uncommitted Advance Facility.
 - (c) Each Party appointing an Agent irrevocably authorises that Agent on its behalf to perform the duties and to exercise the rights, powers and discretions that are specifically delegated to it under or in connection with the Finance Documents, together with any other incidental rights, powers and discretions.
 - (d) An Agent shall have only those duties which are expressly specified in this Agreement. Those duties are solely of a mechanical and administrative nature.
- 21.2 Role of the Arranger
Except as otherwise provided in this Agreement, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.
- 21.3 Relationship
The relationship between an Agent and the Parties which have appointed it as Agent is that of agent and principal only. Nothing in this Agreement constitutes either Agent as trustee or fiduciary for any other Party or any other person and neither Agent need hold in trust any moneys paid to it for a Party or be liable to account for interest on those moneys.

- 21.4 Majority Committed Banks' directions
The Facility Agent will be fully protected if it acts in accordance with the instructions of the Majority Committed Banks in connection with the exercise of any right, power or discretion or any matter not expressly provided for in the Finance Documents. Any such instructions given by the Majority Committed Banks will be binding on all the Banks. In the absence of such instructions the Facility Agent may act as it considers to be in the best interests of all the Banks.
- 21.5 Delegation
Each Agent may act under the Finance Documents through its personnel and agents.
- 21.6 Responsibility for documentation
None of the Agents and the Arranger is responsible to any other Party for:-
- (a) the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document;
 - (b) the collectability of amounts payable under any Finance Document; or
 - (c) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document (including any information memorandum).
- 21.7 Default
- (a) Neither Agent is obliged to monitor or enquire as to whether or not a Default has occurred. Neither Agent will be deemed to have knowledge of the occurrence of a Default. However, if the Facility Agent receives notice from a Party referring to this Agreement, describing the Default and stating that the event is a Default, it shall promptly notify the Banks.
 - (b) The Facility Agent may require the receipt of security satisfactory to it whether by way of payment in advance or otherwise, against any liability or loss which it will or may incur in taking any proceedings or action arising out of or in connection with any Finance Document before it commences these proceedings or takes that action.
- 21.8 Exoneration
- (a) Without limiting paragraph (b) below, neither Agent will be liable to any other Party for any action taken or not taken by it under or in connection with any Finance Document, unless directly caused by that Agent's gross negligence or wilful misconduct.
 - (b) No Party may take any proceedings against any officer, employee or agent of either Agent in respect of any claim it might have against that Agent or in respect of any act or omission of any kind (including negligence or wilful misconduct) by that officer, employee or agent in relation to any Finance Document.
- 21.9 Reliance
Each Agent may:-
- (a) rely on any notice or document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
 - (b) rely on any statement made by a director or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
 - (c) engage, pay for and rely on legal or other professional advisers selected by it (including those in the Agent's employment and those representing a Party other than that Agent).
- 21.10 Credit approval and appraisal
Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Bank confirms that it:-
- (a) has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation

in this Agreement and has not relied exclusively on any information provided to it by either Agent or the Arranger in connection with any Finance Document; and

- (b) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

21.11 Information

- (a) The Facility Agent shall promptly forward to the person concerned the original or a copy of any document which is delivered to the Facility Agent by a Party for that person.
- (b) The Facility Agent shall promptly supply a Bank with a copy of each document received by the Facility Agent under Clause 4 (Conditions precedent) or 27.5 (Additional Borrowers) upon the request and at the expense of that Bank.
- (c) Except where this Agreement specifically provides otherwise, the Facility Agent is not obliged to review or check the accuracy or completeness of any document it forwards to another Party.
- (d) Except as provided above, neither Agent has any duty:-
 - (i) either initially or on a continuing basis to provide any Bank with any credit or other information concerning the financial condition or affairs of any Obligor or any related entity of any Obligor whether coming into its possession or that of any of its related entities before, on or after the date of this Agreement; or
 - (ii) in the case of the Facility Agent and unless specifically requested to do so by a Bank in accordance with this Agreement, to request any certificates or other documents from any Obligor.

21.12 The Agents and the Arranger individually

- (a) If it is also a Bank, each of the Agents and the Arranger has the same rights and powers under this Agreement as any other Bank and may exercise those rights and powers as though it were not an Agent or the Arranger.
- (b) Each of the Agents and Arranger may:-
 - (i) carry on any business with an Obligor or its related entities;
 - (ii) act as agent or trustee for, or in relation to any financing involving, an Obligor or its related entities; and
 - (iii) retain any profits or remuneration in connection with its activities under this Agreement or in relation to any of the foregoing.

21.13 Indemnities

- (a) The Company shall within 5 Business Days of a demand indemnify the Bid Option Agent for any liability or loss incurred by the Bid Option Agent in any way relating to or arising out of its acting as the Bid Option Agent other than any liability or loss arising as a result of its gross negligence or wilful default.
- (b) Without limiting the liability of any Obligor under the Finance Documents, each Bank shall forthwith on demand indemnify the Facility Agent for its proportion of any liability or loss incurred by the Facility Agent in any way relating to or arising out of its acting as the Facility Agent, except to the extent that the liability or loss arises directly from the Facility Agent's gross negligence or wilful misconduct.
- (c) A Bank's proportion of the liability or loss set out in paragraph (b) above is the proportion which the Original Dollar Amount of its Advance(s) (if any) bears to the Original Dollar Amount of all Advances outstanding on the date of the demand. If, however, no Advances are outstanding on the date of demand, then the indemnity will be provided only by the Committed Banks, and a Committed Bank's proportion will be the proportion which its Commitment bears to the Total Commitments at the date of demand or, if the Total Commitments have been cancelled, bore to the Total Commitments immediately before being cancelled.

- (d) The Company shall within 5 Business Days of a demand reimburse each Bank for any payment made by it under paragraph (b) above.

21.14 Compliance

- (a) An Agent may refrain from doing anything which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation of any jurisdiction.
- (b) Without limiting paragraph (a) above, neither Agent need disclose any information relating to any Obligor or any of its related entities if the disclosure might, in the opinion of that Agent, constitute a breach of any law or regulation or any duty of secrecy or confidentiality or be otherwise actionable at the suit of any person.

21.15 Resignation of Agents

- (a) Notwithstanding its irrevocable appointment, an Agent may resign by giving notice to the Banks and the Company, in which case the Agent concerned may (after consultation with the Company) forthwith appoint one of its Affiliates as successor Agent or, failing that, the Majority Committed Banks may appoint a successor Agent.
- (b) If the appointment of a successor Agent is to be made by the Majority Committed Banks but they have not, within 30 days after notice of resignation, appointed a successor Agent which accepts the appointment, the retiring Agent may appoint a successor Agent.
- (c) The resignation of the retiring Agent and the appointment of any successor Agent will both become effective only upon the successor Agent notifying all the Parties that it accepts the appointment. On giving the notification, the successor Agent will succeed to the position of the retiring Agent and the term "Facility Agent" or "Bid Option Agent", as appropriate, will mean the successor Agent.
- (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as the relevant Agent under this Agreement.
- (e) Upon its resignation becoming effective, this Clause 21 (The Agents and the Arranger) shall continue to benefit the retiring Agent in respect of any action taken or not taken by it under or in connection with the Finance Documents while it was an Agent, and, subject to paragraph (d) above, it shall have no further obligation under any Finance Document.

21.16 Banks

Each Agent may treat each Bank as a Bank, entitled to payments under this Agreement and as acting through its Facility Office(s) until it has received notice from the Bank or the Facility Agent to the contrary by not less than 5 Business Days prior to the relevant payment.

21.17 Information between Agents

Each Agent shall promptly notify the other Agent of any relevant information concerning a Utilisation which the other Agent requires in order to enable it to perform its obligations under this Agreement.

22. FEES

22.1 Facility Fee

- (a) The Company shall pay to the Facility Agent for each Committed Bank a facility fee computed at the rate per annum determined in accordance with Clause 10.3 (Determination of applicable Margin and Facility Fee) on the amount of that Committed Bank's Commitment (irrespective of the level of usage of Facilities) during the period from the date of this Agreement up to and including the Final Maturity Date or if earlier, the date of cancellation of the Total Commitments in full.
- (b) Accrued facility fee is payable quarterly in arrear. Accrued facility fee is also payable to the Facility Agent for the relevant Committed Bank(s) on the cancelled amount of its Commitment at the time the cancellation takes effect.

22.2 Auction fee
The Company shall pay to the Bid Option Agent for its own account, upon delivery of each Request for the Uncommitted Advance Facility, a tender fee in the amount agreed in the Fee Letter.

22.3 VAT
Any fee referred to in this Clause 22 (Fees) is exclusive of any value added tax or any other similar tax which might be chargeable in connection with that fee. If any value added tax or other similar tax is so chargeable, it shall be paid by the Company at the same time as it pays the relevant fee.

23. EXPENSES

23.1 Initial and special costs
The Company shall within 5 Business Days of a demand pay the Facility Agent and the Arranger the amount of all reasonable costs and expenses (including legal fees) incurred by either of them in connection with:-

- (a) the negotiation, preparation, printing and execution of:-
 - (i) this Agreement and any other documents referred to in this Agreement;
 - (ii) any other Finance Document (other than a Novation Certificate in the form of Part I of Schedule 4) executed after the date of this Agreement;
- (b) any amendment, waiver, consent or suspension of rights (or any proposal for any of the foregoing) requested by or on behalf of an Obligor and relating to a Finance Document or a document referred to in any Finance Document; and
- (c) any other matter, not of an ordinary administrative nature, arising out of or in connection with a Finance Document.

The Company's obligations to reimburse the Facility Agent for fees and expenses (including legal fees) incurred by it and referred to in paragraph (a) above and incurred in respect of the production of any document prepared to effect Syndication shall be limited to the amounts agreed between the Company and the Arranger prior to the date of this Agreement.

23.2 Enforcement costs
The Company shall within 5 Business Days of a demand pay to each Finance Party the amount of all costs and expenses (including legal fees) properly incurred by it:-

- (a) in connection with the enforcement of, or the preservation of any rights under, any Finance Document; or
- (b) in investigating any likely Default.

24. INDEMNITIES

24.1 Currency indemnity

(a) If a Finance Party receives an amount in respect of an Obligor's liability under the Finance Documents or if that liability is converted into a claim, proof, judgment or order in a currency other than the currency (the "contractual currency") in which the amount is expressed to be payable under the relevant Finance Document:-

- (i) that Obligor shall indemnify that Finance Party as an independent obligation against any loss or liability arising out of or as a result of the conversion;
- (ii) if the amount received by that Finance Party, when converted into the contractual currency at a market rate in the usual course of its business, is less than the amount owed in the contractual currency, the Obligor concerned shall forthwith on demand pay to that Finance Party an amount in the contractual currency equal to the deficit; and
- (iii) the Obligor shall pay to the Finance Party concerned on demand any exchange costs and taxes payable in connection with any such conversion.

(b) Each Obligor waives any right it may have in any jurisdiction

to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

24.2 Other indemnities

The Company shall within 5 Business Days of a demand indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:-

- (a) the occurrence of any Default;
- (b) the operation of Clause 20.16 (Acceleration) or Clause 30 (Pro rata sharing);
- (c) any payment of principal or an overdue amount being received from any source otherwise than on its Maturity Date and, for the purposes of this paragraph (c), the Maturity Date of an overdue amount is the last day of each Designated Term (as defined in Clause 10.4 (Default interest)) but if a Bank actually makes a profit, over its cost of funding an Advance, as a result of the prepayment of that Advance and the placing of the funds so received on deposit, it shall pay to the Borrower concerned an amount equal to the profit actually made by that Bank, to the intent that the Bank shall be no better or worse off than if the Advance had not been prepaid; or
- (d) (other than by reason of negligence or default by a Finance Party) a Utilisation not being effected or a Swingline Advance not being made after:-
 - (i) in the case of a Utilisation of the Committed Advance Facility or the making of a Swingline Advance, the Borrower has delivered a Request for that Utilisation or Swingline Advance; or
 - (ii) in the case of a Utilisation of the Uncommitted Advance Facility, the Borrower has accepted offers for that Utilisation.

The Company's liability in each case includes any loss (other than loss of margin) for other loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document, any amount repaid or prepaid or any Advance.

25. EVIDENCE AND CALCULATIONS

25.1 Accounts

Accounts maintained by a Finance Party in connection with this Agreement are prima facie evidence of the matters to which they relate.

25.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under this Agreement is prima facie evidence of the matters to which it relates.

25.3 Calculations

Interest and the Facility Fee accrue from day to day and are calculated on the basis of the actual number of days elapsed and a year of 360 days, or in the case of interest (including any applicable MLA Cost) payable on an amount denominated in Sterling only, 365 days.

26. AMENDMENTS AND WAIVERS

26.1 Procedure

- (a) Subject to Clause 26.2 (Exceptions), any term of the Finance Documents may be amended or waived with the agreement of the Company, the Majority Committed Banks and the Facility Agent. The Facility Agent may effect, on behalf of the Committed Banks, an amendment to which they or the Majority Committed Banks have agreed.
- (b) The provisions of Clause 6 (The Uncommitted Advance Facility) may be amended or waived with the agreement of the Company and the Facility Agent, but an amendment or waiver so effected will apply only to Utilisations requested after the date the amendment or waiver has been effected.
- (c) The Facility Agent shall promptly notify the other Parties of any amendment or waiver effected under paragraphs (a) or (b) above, and any such amendment or waiver shall be binding on all

the Parties.

26.2 Exceptions

(a) An amendment or waiver which relates to:-

- (i) the definition of "Majority Committed Banks" in Clause 1.1;
- (ii) an extension of the date for, or a decrease in an amount or a change in the currency of, any payment under the Finance Documents;
- (iii) an increase in a Committed Bank's Commitment;
- (iv) the incorporation of additional borrowers otherwise than in accordance with Clause 27.5 (Additional Borrowers) or a release of the Company's obligations under Clause 17 (Guarantee);
- (v) a term of a Finance Document which expressly requires the consent of each Committed Bank; or
- (vi) Clause 30 (Pro rata sharing) or this Clause 26 (Amendments and waivers),

may not be effected without the consent of each Committed Bank.

(b) (i) A Bid Option Bank which has made an Advance which is still outstanding or has outstanding any offer to make an Advance, is not bound by an amendment or waiver which relates to:-

(A) the extension of the date for, or a decrease in an amount or a change in the currency of, any payment to it under the Finance Documents; or

(B) Clause 30 (Pro Rata Sharing) or this Clause 26 (Amendments and waivers),

unless it consents to that amendment or waiver.

(ii) No amendment may be made to the terms of or any waiver be given under the Swingline Facility without the consent of the Swingline Bank.

(c) The rights of each Finance Party under the Finance Documents:-

(i) may be exercised as often as necessary;

(ii) are cumulative and not exclusive of its rights under the general law; and

(iii) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

27. CHANGES TO THE PARTIES

27.1 Transfers by Obligors

No Obligor may assign, transfer, novate or dispose of any of, or any interest in, its rights and/or obligations under this Agreement without the prior consent of the Banks.

27.2 Transfers by Banks

(a) A Bank (the "Existing Bank") may at any time assign, transfer or novate any of its rights and/or obligations under this Agreement to another bank or financial institution (the "New Bank") which is a Qualifying Bank in minimum amounts and integral multiples of \$10,000,000. The prior consent of the Company is required for any such assignment, transfer or novation, unless:-

(i) the transfer or novation constitutes the completion of Syndication to banks and financial institutions agreed between the Company and the Arranger prior to the date of this Agreement or otherwise agreed between the Company and the Facility Agent (each acting reasonably) thereafter; or

(ii) the New Bank is another Bank or an Affiliate of a Bank; or

(iii) an Event of a Default is outstanding.

However, the prior consent of the Company must not be unreasonably withheld or delayed.

- (b) A transfer of obligations will be effective only if either:-
 - (i) the obligations are novated in accordance with Clause 27.3 (Procedure for novations); or
 - (ii) the New Bank confirms to the Facility Agent and the Company that it undertakes to be bound by the terms of this Agreement as a Bank in form and substance satisfactory to the Facility Agent. On the transfer becoming effective in this manner the Existing Bank shall be relieved of its obligations under this Agreement to the extent that they are transferred to the New Bank.
- (c) Nothing in this Agreement restricts the ability of a Bank to sub-contract an obligation, on terms where the relevant Bank retains the discretion to exercise its voting rights under this Agreement without reference to any party to that sub-contract, if that Bank remains liable under this Agreement for that obligation.
- (d) On each occasion (other than the completion of Syndication) that an Existing Bank assigns, transfers or novates any of its rights and/or obligations under this Agreement, the New Bank shall, on the date the assignment, transfer and/or novation takes effect, pay to the Facility Agent for its own account a fee of \$2,500.
- (e) An Existing Bank is not responsible to a New Bank for:-
 - (i) the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document;
 - (ii) the collectability of amounts payable under any Finance Document; or
 - (iii) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document.
- (f) Each New Bank confirms to the Existing Bank and the other Finance Parties that it:-
 - (i) has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Bank in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under this Agreement or any Commitment is in force.
- (g) Nothing in any Finance Document obliges an Existing Bank to:-
 - (i) accept a re-transfer from a New Bank of any of the rights and/or obligations assigned, transferred or novated under this Clause; or
 - (ii) support any losses incurred by the New Bank by reason of the non-performance by any Obligor of its obligations under this Agreement or otherwise.
- (h) Any reference in this Agreement to a Bank includes a New Bank, but excludes a Committed Bank if no amount is or may be owed to or by that Committed Bank under this Agreement and its Commitment has been cancelled or reduced to nil.
- (i) If, at the time of any novation, transfer or assignment by a Bank (including, without limitation, on the Syndication Date or pursuant to Syndication) or of any change of Facility Office, circumstances exist which would oblige the Company or any Borrower to pay to the New Bank (or, in the case of a change in Facility Office, the relevant Bank), under Clause 13 (Taxes), Clause 15 (Increased costs) or Clause 16 (Illegality and mitigation) any sum in excess of the sum (if any) which it would have been obliged to pay to that Bank under the relevant Clause in the absence of that novation, transfer assignment or change,

no Obligor shall be obliged to pay that excess.

27.3 Procedure for novations

(a) A novation is effected if:-

(i) the Existing Bank and the New Bank deliver to the Facility Agent a duly completed certificate, substantially in the form of Part I of Schedule 4 and the Facility Agent executes it; or

(ii) a Novation Certificate in the form of Schedule 6 is executed by all the parties thereto.

(b) Each Party (other than the Existing Bank and the New Bank) irrevocably authorises the Facility Agent to execute any duly completed Novation Certificate in the form of Part I of Schedule 4 on its behalf.

(c) To the extent that they are expressed to be the subject of the novation in the Novation Certificate:-

(i) the Existing Bank and the other Parties (the "existing Parties") will be released from their obligations to each other (the "discharged obligations");

(ii) the New Bank and the existing Parties will assume obligations towards each other which differ from the discharged obligations only insofar as they are owed to or assumed by the New Bank instead of the Existing Bank;

(iii) the rights of the Existing Bank against the existing Parties and vice versa (the "discharged rights") will be cancelled; and

(iv) the New Bank and the existing Parties will acquire rights against each other which differ from the discharged rights only insofar as they are exercisable by or against the New Bank instead of the Existing Bank,

all on the date of execution of the Novation Certificate by the Facility Agent or, if later, the date specified in the Novation Certificate.

27.4 Changes to the Bid Option Banks and the Bid Option Agent

(a) (i) The Company may, after consultation with the Bid Option Agent, require the discharge of any Bid Option Bank (other than a Bid Option Bank which is a Committed Bank or an Affiliate of a Committed Bank) by not less than 5 Business Days' notice to the Bid Option Agent and the Bid Option Bank concerned.

(ii) A Bid Option Bank may, by not less than 5 Business Days' notice to the Bid Option Agent, retire as a Bid Option Bank.

(iii) In the event of any discharge or retirement under sub-paragraph (i) or (ii) above, the Bid Option Bank concerned will cease to participate further in the Uncommitted Advance Facility. However, any such discharge or retirement will not affect that Bid Option Bank's rights and obligations in respect of any outstanding offer made by it or in respect of any outstanding Advance made by it.

(b) Any bank or financial institution may become a Bid Option Bank if:-

(i) that bank or financial institution is also a Committed Bank;

(ii) it delivers to the Facility Agent a duly completed accession agreement, substantially in the form set out in Part II of Schedule 4, (a "Bid Option Bank Accession Agreement") and the Facility Agent counter-signs it on behalf of all the Parties; or

(iii) it executes a Novation Certificate, in the form of Schedule 6, by which it agrees to become a Bid Option Bank.

Each Party authorises the Facility Agent to counter-sign any Bid Option Bank Accession Agreement on its behalf.

(c) Any reference in this Agreement to the Banks or the Bid Option

Banks includes any bank or financial institution which becomes a Bid Option Bank in accordance with this Clause, but excludes a Bid Option Bank which is discharged or retires under this Clause when no amount is or may be owed to or by that Bid Option Bank under this Agreement.

27.5 Additional Borrowers

- (a) If the Company wishes one of its wholly-owned Subsidiaries incorporated in England and Wales to become an Additional Borrower, then it may (after prior consultation with the Facility Agent) deliver to the Facility Agent the documents listed in Part II of Schedule 2.
- (b) On delivery of a Borrower Accession Agreement, executed by the relevant Subsidiary and the Company, the Subsidiary concerned will become an Additional Borrower. However, it may not utilise any of the Facilities or (in the case of the first Additional Borrower at, or shortly after, the time it becomes an Additional Borrower) accept a transfer of any Advances until the Facility Agent confirms to the other Finance Parties and the Company that it has received or waived all the documents referred to in paragraph (a) above in form and substance satisfactory to it.
- (c) Delivery of a Borrower Accession Agreement, executed by the Subsidiary and the Company, constitutes confirmation by that Subsidiary that the representations and warranties set out in Clause 18 (Representations and warranties) and to be made by it on the date of the Borrower Accession Agreement are correct in all material respects, as if made with reference to the facts and circumstances then existing.

27.6 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Committed Bank, the Committed Bank of which it is an Affiliate) ceases to be one of the Committed Banks, the Facility Agent shall (in consultation with the Company) appoint another Committed Bank or an Affiliate of a Committed Bank to replace that Reference Bank.

27.7 Register

The Facility Agent shall keep a register of all the Parties and shall supply any other Party (at that Party's expense) with a copy of the register on request.

28. DISCLOSURE OF INFORMATION

- (a) Subject to paragraph (b) below, a Bank may disclose to one of its Affiliates or any person with whom it is proposing to enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement:-
- (i) a copy of any Finance Document; and
 - (ii) any information which that Bank has acquired under or in connection with any Finance Document.
- (b) Any information referred to in paragraph (a)(ii) above which is confidential may only be disclosed to a person with whom a Bank is proposing to enter, or has entered into, a transfer, participation or other agreement in relation to this Agreement if the person has provided the Company with a written undertaking to keep the information confidential and only to use it for the purposes of this Agreement.

29. SET-OFF

After an Event of Default has occurred and while the same is continuing, a Finance Party may set off any matured obligation owed by an Obligor under this Agreement (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. Each Finance Party which exercises its right of set-off under this Clause 29 shall thereafter notify the Company of that exercise.

30. PRO RATA SHARING

30.1 Redistribution

If any amount owing by an Obligor under this Agreement to a Finance Party (the "recovering Finance Party") is discharged by

payment, set-off or any other manner other than through the Facility Agent in accordance with Clause 12 (Payments) (a "recovery"), then:-

- (a) the recovering Finance Party shall, within 3 Business Days, notify details of the recovery to the Facility Agent;
- (b) the Facility Agent shall determine whether the recovery is in excess of the amount which the recovering Finance Party would have received had the recovery been received by the Facility Agent and distributed in accordance with Clause 12 (Payments);
- (c) subject to Clause 30.3 (Exception), the recovering Finance Party shall, within 3 Business Days of demand by the Facility Agent, pay to the Facility Agent an amount (the "redistribution") equal to the excess;
- (d) the Facility Agent shall treat the redistribution as if it were a payment by the Obligor concerned under Clause 12 (Payments) and shall pay the redistribution to the Finance Parties (other than the recovering Finance Party) in accordance with Clause 12.7 (Partial payments); and
- (e) after payment of the full redistribution, the recovering Finance Party will be subrogated to the portion of the claims paid under paragraph (d) above, and that Obligor will owe the recovering Finance Party a debt which is equal to the redistribution, immediately payable and of the type originally discharged.

30.2 Reversal of redistribution

If under Clause 30.1 (Redistribution):-

- (a) a recovering Finance Party must subsequently return a recovery, or an amount measured by reference to a recovery, to an Obligor; and
- (b) the recovering Finance Party has paid a redistribution in relation to that recovery,

each Finance Party shall, within 3 Business Days of demand by the recovering Finance Party through the Facility Agent, reimburse the recovering Finance Party all or the appropriate portion of the redistribution paid to that Finance Party. Thereupon the subrogation in Clause 30.1(e) (Redistribution) will operate in reverse to the extent of the reimbursement.

30.3 Exception

A recovering Finance Party need not pay a redistribution to the extent that it would not, after the payment, have a valid claim against the Obligor concerned in the amount of the redistribution pursuant to Clause 30.1(e) (Redistribution).

31. SEVERABILITY

If a provision of any Finance Document is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:-

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of the Finance Documents; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other provision of the Finance Documents.

32. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

33. NOTICES

33.1 Giving of notices

All notices or other communications under or in connection with this Agreement shall be given in writing or by telex or facsimile. Any such notice will be deemed to be given as follows:-

- (a) if in writing, when delivered;

(b) if by telex, when despatched, but only if, at the time of transmission, the correct answerback appears at the start and at the end of the sender's copy of the notice; and

(c) if by facsimile, when received in legible form,

so long as, in the case of notices given by facsimile by a Borrower to the Facility Agent, the relevant Borrower has entered into an indemnity agreement with the Facility Agent in form and substance satisfactory to the Facility Agent.

However, a notice given in accordance with the above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

33.2 Addresses for notices

(a) The address, telex number and facsimile number of each Party (other than an Agent) for all notices under or in connection with this Agreement are:-

(i) that notified by that Party for this purpose to the Facility Agent on or before it becomes a Party; or

(ii) any other notified by that Party for this purpose to the Facility Agent by not less than five Business Days' notice.

(b) The address, telex numbers and facsimile numbers of the Agents are:-

NationsBank, N.A., London Branch
Loans Agency Department
New Broad Street House
35 New Broad Street
London EC2M 1NH

Telephone: 0171 860 3742
Facsimile: 0171 628 8692
Telex: 883181 NCNB G

or such other as either Agent may notify to the other Parties by not less than 5 Business Days' notice.

(c) The Facility Agent shall, promptly upon request from any Party, give to that Party the address, telex number or facsimile number of any other Party applicable at the time for the purposes of this Clause.

34. JURISDICTION

34.1 Submission

For the benefit of each Finance Party, each Obligor agrees that the courts of England have jurisdiction to settle any disputes in connection with any Finance Document and accordingly submits to the jurisdiction of the English courts.

34.2 Service of process

Without prejudice to any other mode of service, each Obligor (other than an Obligor incorporated in England and Wales):-

(a) irrevocably appoints Michael Muller of Alton House, 177 High Holborn, London WC1V 7AA as its agent for service of process relating to any proceedings before the English courts in connection with any Finance Document;

(b) agrees that failure by a process agent to notify the Obligor of the process will not invalidate the proceedings concerned; and

(c) consents to the service of process relating to any such proceedings by prepaid posting of a copy of the process to its address for the time being applying under Clause 33.2 (Addresses for notices).

34.3 Forum convenience and enforcement abroad

Each Obligor:-

(a) waives objection to the English courts on grounds of inconvenient forum or otherwise as regards proceedings in connection with a Finance Document; and

(b) agrees that a judgment or order of an English court in connection with a Finance Document is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

34.4 Non-exclusivity
Nothing in this Clause 34 limits the right of a Finance Party to bring proceedings against an Obligor in connection with any Finance Document:-

(a) in any other court of competent jurisdiction; or

(b) concurrently in more than one jurisdiction.

35. GOVERNING LAW
This Agreement is governed by English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

COMMITMENTS

Part I

The Committed Advance Facility

Committed Bank \$	Commitment
NationsBank, N.A.	300,000,000
	<hr/>
Total Commitments	\$300,000,000
	<hr/>

Part II

The Swingline Facility

Swingline Bank	Swingline Commitment
NationsBank, N.A., London Branch	\$10,000,000

SCHEDULE 2

CONDITIONS PRECEDENT DOCUMENTS

PART I

TO BE DELIVERED BEFORE THE FIRST UTILISATION

1. All Obligors
 - (a) A copy of constitutional documents of each Obligor; and
 - (b) a copy of its Original Accounts and its most recent unaudited financial statements.
2. Company
 - (a) A copy of a resolution of the executive committee of the board of directors of the Company:-
 - (i) approving the terms of, and the transactions contemplated by, this Agreement and resolving that it execute this Agreement and the Fee Letter;
 - (ii) authorising a specified person or persons to execute this Agreement and the Fee Letter on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with this Agreement;
 - (b) a certificate of good standing in relation to the Company;
 - (c) a specimen of the signature of each person authorised by the resolution referred to in paragraph (a) above;
 - (d) a certificate of a senior officer of the Company confirming that utilisation of the Facilities in full would not cause any borrowing limit binding on any Obligor to be exceeded;
 - (e) a five year cash flow projection and the related income statement and balance sheet for the Company;
 - (f) a certificate of an Authorised Signatory of the Company certifying that each copy document specified in Part I of this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement; and
 - (g) a letter from Michael Muller confirming his acceptance of his appointment to act as process agent under clause 34.2 (Service of process).
3. Legal opinions

A legal opinion of Allen & Overy, English legal advisers to the Facility Agent, addressed to the Finance Parties.

A legal opinion of Tapia Linares y Alfaro, external Panamanian legal advisers to the Company, addressed to the Finance Parties.

A legal opinion of Arnaldo Perez, general counsel to the Company, addressed to the Finance Parties.

PART II

TO BE DELIVERED BY AN ADDITIONAL BORROWER

- (a) A Borrower Accession Agreement, duly executed by the Additional Borrower and the Company;
- (b) a copy of the memorandum and articles of association and certificate of incorporation of the Additional Borrower;
- (c) a copy of a resolution of the board of directors of the Additional Borrower:-
 - (i) approving the terms of, and the transactions contemplated by, the Borrower Accession Agreement and resolving that it execute the Borrower Accession Agreement;
 - (ii) authorising a specified person or persons to execute the Borrower Accession Agreement on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with this Agreement;
- (d) a certificate of a director of the Additional Borrower confirming that utilisation of the Facilities in full would not cause any borrowing limit binding on it to be exceeded;
- (e) (in the case of any Additional Borrower other than the first) a copy of any other authorisation or other document, opinion or assurance which the Facility Agent considers to be necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, the Borrower Accession Agreement or for the validity and enforceability of any Finance Document;
- (f) a specimen of the signature of each person authorised by the resolution referred to in paragraph (c) above;
- (g) Original Accounts (if any) of the Additional Borrower;
- (h) a legal opinion of Allen & Overy, legal advisers to the Facility Agent, addressed to the Finance Parties; and
- (i) a certificate of an Authorised Signatory of the Additional Borrower certifying that each copy document specified in Part II of this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Borrower Accession Agreement.

FORM OF REQUEST

To: NATIONSBANK, N.A. London Branch as [Facility Agent/Bid Option Agent/Swingline Bank]

From: [BORROWER]

Date: []

CARNIVAL CORPORATION \$300,000,000 Revolving Credit Agreement
dated
[], 1996

1. We wish to utilise the []* Facility as follows:-
 - (a) Utilisation Date: []
 - (b) Requested Amount: []
 - (c) Term: [] /alternative Term: []**
 - (d) Currency: []
 - (e) Payment Instructions: [].
 - (f) as at the date of this Request, the Company's long term debt is rated [] by Moody's and/or [] by S&P.
2. We confirm that each condition specified in Clause 4.2 (Further conditions precedent) is satisfied on the date of this Request.

By:

[BORROWER]
Authorised Signatory

SCHEDULE 4

FORMS OF ACCESSION DOCUMENTS

PART I

NOVATION CERTIFICATE

To: NATIONSBANK, N.A., London Branch as Facility Agent

From: [THE EXISTING BANK] and [THE NEW BANK] Date: []

CARNIVAL CORPORATION -\$300,000,000 Revolving Credit Agreement
dated
[], 1996

We refer to Clause 27.3 (Procedure for novations).

1. We [] (the "Existing Bank") and [] (the "New Bank") agree to the Existing Bank and the New Bank novating all the Existing Bank's rights and obligations referred to in the Schedule in accordance with Clause 27.3 (Procedure for novations).
2. The specified date for the purposes of Clause 27.3(c) is [date of novation].
3. The Facility Office and address for notices of the New Bank for the purposes of Clause 33.2 (Addresses for notices) are set out in the Schedule.
4. This Novation Certificate is governed by English law.

THE SCHEDULE

Rights and obligations to be novated

[Details of the rights and obligations of the Existing Bank to be novated].

[New Bank]

[Facility Office
Address for notices]

[Existing Bank] [New Bank] NATIONSBANK, N.A., London
Branch

By: By: By:

Date: Date: Date:

PART II

BID OPTION BANK ACCESSION AGREEMENT

To: NATIONSBANK, N.A., London Branch as Facility Agent

From: [NEW BID OPTION BANK]

Date: []

CARNIVAL CORPORATION -\$300,000,000 Revolving Credit Agreement dated [], 1996 (the "Credit Agreement")

We refer to Clause 27.4 (Changes in the Bid Option Banks and the Bid Option Agent).

We agree to become a Bid Option Bank and to be bound by the terms of the Facility Agreement as a Bid Option Bank in accordance with Clause 27.4 (Changes in the Bid Option Banks and the Bid Option Agent).

Our Facility Office and address for notices for the purposes of Clause 33.2 (Addresses for notices) are:-

Facility Office	Address for notices
[[

]]
---	---

This Agreement is governed by English law.

By:

[NEW BID OPTION BANK]

Acknowledgement

We confirm that you have become a Bid Option Bank with effect from [].

NATIONSBANK, N.A., London Branch

By:

Date:

PART III

BORROWER ACCESSION AGREEMENT

To: NATIONSBANK, N.A., London Branch as Facility Agent

From: [PROPOSED BORROWER] and CARNIVAL CORPORATION

[], 1996

CARNIVAL CORPORATION -\$300,000,000 Revolving Credit Agreement
dated [], 1996 (the "Credit Agreement")

We refer to Clause 27.5 (Additional Borrowers).

[Name of company] of [Registered Office] (Registered no.
[]) (the "Proposed Borrower") agrees to become an
Additional Borrower and to be bound by the terms of the Facility
Agreement as an Additional Borrower in accordance with Clause 27.5
(Additional Borrowers).

The address for notices of the Proposed Borrower for the purposes
of Clause 33.2 (Addresses for notices) is:-

[]

This Agreement is governed by English law.

By:

[PROPOSED BORROWER]
Authorised Signatory

By:

CARNIVAL CORPORATION
Authorised Signatory

SCHEDULE 5

TIMETABLES

In this Schedule 5:-

D-[x] = x Business Days before the relevant Utilisation Date

FA = Facility Agent

BOA = Bid Option Agent

CB = Committed Bank

BOB = Bid Option Bank

CLAUSE 5 - COMMITTED ADVANCE FACILITY

Clause
Event
Time

(approximate
equivalent
time in Miami)

5.1
FA receives Request
D-3
3.30 p.m.
D-3
10.30 a.m.

5.4
FA notifies CBs of details of
Request and amount of each
CB's Advance
D-3
5.00 p.m.
D-3
12 noon

5.6(b)
FA receives objection from a
CB to selection of a Term of
an optional duration
D-2
9.00 a.m.
D-2
4.00 a.m.

5.6(c)
FA notifies Borrower and CBs

of the new Term

D-2

10.00 a.m.

D-2

5.00 a.m.

CLAUSE 6 - UNCOMMITTED ADVANCE FACILITY

Clause
Event
Time

(approximate
equivalent
time in
Miami)

6.1
BOA receives Request
D-4
3.00 p.m.
D-4
10.00 a.m.

6.3
BOA notifies BOBs of details
of Request
D-4
5.00 p.m.
D-4
12 noon

6.4(c)
BOA and Affiliates make
offers to Borrower
D-3
9.00 a.m.
D-3
4.00 a.m.

6.4(a)
BOA receives offers from
BOBs
D-3
10.00 a.m.
D-3
5.00 a.m.

6.4(d)
BOA notifies Borrower of
offers
D-3
2.00 p.m.
D-3
9.00 a.m.

6.5(a)
and
6.4(b)
Borrower accepts or rejects
offers
D-3
3.30 p.m.
D-3
10.30 a.m.

6.5(c)
BOA informs BOBs of results
of offers
D-3
5.00 p.m.
D-3
12 noon

THIS AGREEMENT is dated [] between:

- (1) CARNIVAL CORPORATION (the "Company");
- (2) NATIONSBANC CAPITAL MARKETS, INC. as arranger (in this capacity the "Arranger");
- (3) NATIONSBANK, N.A. as the bank party to the Credit Agreement (as defined below) as at today's date as a Committed Bank, an Uncommitted Bank and the Swingline Bank (the "Existing Bank");
- (4) THE FINANCIAL INSTITUTIONS listed in Parts II and III of Schedule 1 as the banks who wish to accede to the Credit Agreement as Banks (the "New Banks"); and
- (5) NATIONSBANK, N.A., London Branch as facility agent (in this capacity the "Facility Agent").

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement, unless the contrary intention appears or the context otherwise requires:

"Credit Agreement"

means the Credit Agreement dated [], 1996 between the Company, the Arranger, the Existing Bank, the Bid Option Agent and the Facility Agent.

"Effective Date"

means

[].

1.2 Incorporation of Credit Agreement definitions

Terms defined in the Credit Agreement shall, unless the contrary intention appears or the context otherwise requires, have the same meaning in this Agreement.

1.3 Incorporation

Clauses 1.2 (Construction), 31 (Severability) and 32 (Counterparts) of the Credit Agreement shall apply to this Agreement, mutatis mutandis.

2. CONSENT, CONFIRMATION AND DESIGNATION

2.1 Consent and confirmation

The Borrowers, the Arranger, the Existing Bank and the Facility Agent each consent to the New Banks becoming Banks and confirm that, except as expressly provided by the terms of this Agreement, each of the Finance Documents shall continue in full force and effect.

2.2 Designation

The Facility Agent and the Company hereby designate this Agreement a Finance Document.

3. NOVATION

3.1 Novation of Commitments and related rights and obligations and new Bid Option Banks

On the Effective Date (regardless of whether a Default is then continuing):

- (a) each New Bank named in Part I of Schedule 1 will become a Committed Bank under the Credit Agreement with a Commitment as set out opposite its name in Schedule 2;
- (b) the Existing Bank's Commitment shall be and be deemed to be reduced down to the level set out opposite its name in Schedule 2; and
- (c) each New Bank named in Part II of Schedule 1 will become a Bid Option Bank;
- (d) (i) each New Bank named in Part I of Schedule 1 will automatically obtain and assume, and undertakes to perform, all of the rights and obligations of a

Committed Bank under and in respect of each of the Finance Documents in respect of the rights and obligations transferred to it under paragraphs (a) and (b) above; and

- (ii) each New Bank named in Part II of Schedule 1 agrees to be bound by the terms of the Facility Agreement as a Bid Option Bank in accordance with the terms of Clause 27.4 (Changes in the Bid Option Banks and the Bid Option Agent) of the Facility Agreement.

3.2 Amounts due on or before the Effective Date

- (a) All amounts (if any) payable to the Existing Bank by the Obligors on or before the Effective Date (including, without limitation, all interest and fees payable on the Effective Date) in respect of any period ending prior to the Effective Date shall be for the account of the Existing Bank, and none of the New Banks shall have any interest in, or any rights in respect of, any such amount.
- (b) If any Committed Advance falls to be made on the Effective Date:
 - (i) the Facility Agent will promptly notify each of the New Banks named in Part I of Schedule 1 of that fact (and the amount of its participation in that Committed Advance in accordance with paragraph (ii) below); and
 - (ii) the Existing Bank and each New Bank named in Part I of Schedule 1 shall participate in that Committed Advance (subject to the terms of the Credit Agreement) as if the novation of Commitments under Clauses 3.1(a) and (b) (Novation of Commitments and related rights and obligations and new Bid Option Banks) of this Agreement had taken effect prior to opening of business on the Business Day before the Effective Date,

and each Borrower acknowledges that the Existing Bank will not be obliged to participate in any such Loan to any greater extent.

3.3 Administrative details

Each New Bank has delivered to the Facility Agent its initial details for the purposes of Clause 33 (Notices) of the Credit Agreement.

4. NATURE OF THIS AGREEMENT

For the avoidance of doubt, the parties to this Agreement agree that the transfer of rights and obligations contemplated by this Agreement shall take effect (in accordance with its terms) as a novation so that:

- (a) Schedule 2 is substituted for Schedule 1 to the Credit Agreement on the Effective Date; and
- (b) this Agreement being a Novation Certificate, Clause 27.3(c) (Procedure for novations) of the Credit Agreement shall apply to the rights and obligations transferred, assumed and released under Clauses 3.1 (Novation of Commitments and related rights and obligations and new Bid Option Banks) of this Agreement and to the associated rights and obligations under the Finance Documents.

5. GOVERNING LAW

This Agreement is governed by English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

VARIOUS PARTIES

PART I

The New Committed Banks

[]

PART II

The New Bid Option Banks

[]

SCHEDULE 2

Banks and Commitments

Banks

Commitments
\$

	<hr/>
Total Commitments	\$300,000,000
	<hr/>

SIGNATORIES

Company
CARNIVAL CORPORATION

By:

Arranger
NATIONSBANC CAPITAL MARKETS, INC.

By:

Agent
NATIONSBANK, N.A., LONDON BRANCH

By:

Existing Bank
NATIONSBANK, N.A.

By:

New Banks

[]

SCHEDULE 7

CALCULATION OF THE MLA COST

- (a) The MLA Cost for a Swingline Advance denominated in Sterling is calculated in accordance with the following formula:-

$$\frac{BY + L(Y-X) + S(Y-Z)}{100 - (B + S)} \% \text{ per annum} = \text{MLA Cost}$$

where on the day of application of the formula:-

- B is the percentage of the Facility Agent's eligible liabilities which the Bank of England requires the Facility Agent to hold on a non-interest-bearing deposit account in accordance with its cash ratio requirements;
- Y is the rate at which Sterling deposits are offered by the Facility Agent to leading banks in the London interbank market at or about 11.00 a.m. on that day for the relevant period;
- L is the percentage of eligible liabilities which (as a result of the requirements of the Bank of England) the Agent maintains as secured money with members of the London Discount Market Association or in certain marketable or callable securities approved by the Bank of England, which percentage shall (in the absence of evidence that any other figure is appropriate) be conclusively presumed to be 5 per cent.;
- X is the rate at which secured Sterling deposits may be placed by the Facility Agent with members of the London Discount Market Association at or about 11.00 a.m. on that day for the relevant period or, if greater, the rate at which Sterling bills of exchange (of a tenor equal to the duration of the relevant period) eligible for rediscounting at the Bank of England can be discounted in the London Discount Market at or about 11.00 a.m. on that day;
- S is the percentage of the Facility Agent's eligible liabilities which the Bank of England requires the Agent to place as a special deposit; and
- Z is the interest rate per annum allowed by the Bank of England on special deposits.

- (b) For the purposes of this Schedule 3:-

(i) "eligible liabilities" and "special deposits" have the meanings given to them at the time of application of the formula by the Bank of England;

(ii) "relevant period" in relation to a Swingline Advance, means 3 months.

- (c) In the application of the formula, B, Y, L, X, S and Z are included in the formula as figures and not as percentages, e.g. if B = 0.5% and Y = 15%, BY is calculated as 0.5 x 15.

- (d) (i) The formula is applied on the first day of each relevant period comprised in the Term of the relevant Swingline Advance.

(ii) Each rate calculated in accordance with the formula is, if necessary, rounded upward to four decimal places.

- (e) If the Facility Agent determines that a change in circumstances has rendered, or will render, the formula inappropriate, the Facility Agent shall notify the Company of the manner in which the MLA Cost will subsequently be calculated. The manner of calculation so notified by the Facility Agent shall, in the absence of manifest error, be binding on all the Parties.

SIGNATORIES TO THE FACILITY AGREEMENT

Company

CARNIVAL CORPORATION

By:/s/ Arnaldo Perez

Arranger

NATIONSBANC CAPITAL MARKETS, INC.

By:/s/ Thomas W. Bunn

Committed Bank, Bid Option Bank and Swingline Bank

NATIONSBANK, N.A.

By:/s/ Bennie H. Duck

Facility Agent and Bid Option Agent

NATIONSBANK, N.A., LONDON BRANCH

By:/s/ Bennie H. Duck

March 27, 1996

CHC Casinos Canada Limited
c/o CHC International, Inc.
3250 Mary Street
Miami, Florida
U.S.A. 33133

Attention: Sherwood M. Weiser
Peter Temling

Dear Sirs:

Carnival Corporation (the "Lender"), a Panama Corporation, understands that CHC Casinos Canada Limited (the "Borrower"), a Nova Scotia corporation created for the sole purpose of operating and managing the Rama Casino (as defined below), has entered into an operating agreement dated March 18, 1996 (the "Rama Operating Agreement") with Casino Rama Inc. ("Rama"), an Ontario corporation, certain affiliates of Rama and the Ontario Casino Corporation ("OCC"), whereunder the Borrower will provide casino management services to OCC and Rama with respect to the operation of the Rama Casino (as defined below) in consideration for base management fees and incentive fees. The Lender understands that, pursuant to the provisions of the Rama Operating Agreement, the Borrower is obliged to provide an unsecured, subordinated, limited recourse loan to Rama in the principal amount of up to U.S.\$25,000,000 (the "Rama Loan") all in accordance with the Rama Operating Agreement. The Lender further understands that the availability of the Rama Senior Debt (as defined below) is contingent on Rama obtaining the Rama Loan from the Borrower.

Accordingly, the Lender is pleased to offer the Borrower a term credit facility in the amount of U.S.\$25,000,000 (the "Amount"), subject to the terms and conditions set out below (the "Credit Facility"). It is a condition to the provision of the Credit Facility that the obligations of the Borrower under the Credit Facility shall be guaranteed by CHC International, Inc. (the "Guarantor"), a Florida corporation.

SECTION 1 - INTERPRETATION

1.1 Definitions. In this Agreement,

(a) "Accrued Opening Date Interest Amount" has the meaning given to it in Section 5(a).

(b) "Agreement" means this letter agreement as the same may be amended, modified, supplemented, restated or replaced from time to time.

(c) "Amount" has the meaning given to it in the forepart of this Agreement.

(d) "Available Cash Flow" means in respect of any month, all amounts payable to the Borrower during such month on account of (i) management or other fees pursuant to the Rama Operating Agreement, and (ii) payment or repayment of all or any part of the Rama Loan including, without limitation, all payments or repayments on account of principal, interest and fees in respect of the Rama Loan but excluding, in either case, amounts which may be limited by the loan documents to be executed in connection with the Rama Senior Debt; provided that Available Cash Flow in respect of each of the six months immediately following the Opening Date shall be the Available Cash Flow calculated in respect of such month in accordance with the foregoing sentence less Cdn.\$166,670.

(e) "Borrowing" has the meaning given to it in Section 2.

(f) "Business Day" means a day, excluding Saturday, Sunday, and any other day which shall be in the City of Toronto or the City of Miami a legal holiday or a day on which banking institutions are closed.

(g) "Canadian Dollars" and the symbols "Cdn\$" and "\$" each means lawful money of Canada.

- (h) "Credit Facility" has the meaning given to it in the forepart of this Agreement.
- (i) "Encumbrance" means any mortgage, charge, lien, hypothec, trust, encumbrance, charge, pledge, assignment, security interest, title retention or any other security arrangement of whatsoever nature or kind.
- (j) "Equivalent Amount" means, with respect to any given amount of any currency, the amount of any other currency required to purchase that amount of the first currency in Toronto in accordance with the Lender's usual procedures.
- (k) "Event of Default" has the meaning given to it in Section 10.
- (l) "GAAP" means U.S. generally accepted accounting principles.
- (m) "Guaranty Agreement" means the guaranty agreement of date even herewith given by the Guarantor in favour of the Lender with respect to the obligations of the Borrower hereunder.
- (n) "Initial Payment Date" has the meaning given to it in Section 5(b).
- (o) "OCC" has the meaning given to it in the forepart of this Agreement.
- (p) "Opening Date" means the date on which the Rama Casino opens to the public at large.
- (q) "Operating Year" means:
- (i) the period commencing on the Opening Date and ending on the first Repayment Date, inclusive,
- and thereafter,
- (ii) a period commencing on the day immediately following a Repayment Date and ending on the next following Repayment Date, inclusive.
- (r) "Post-Opening Interest" has the meaning given to it in Section 5(b).
- (s) "Promissory Note" has the meaning given to it in Section 2(c).
- (t) "Rama" has the meaning given to it in the forepart of this Agreement.
- (u) "Rama Casino" means the casino operation of Rama located on the reserve of the Chippewas of Rama First Nation, Ontario, Canada.
- (v) "Rama Commitment Letter" means the commitment letter dated February 22, 1996 addressed to the Guarantor from The Bank of Nova Scotia in respect of the Rama Senior Debt as supplemented by a letter dated February 29, 1996 from Aird & Berlis, counsel to The Bank of Nova Scotia.
- (w) "Rama Loan" has the meaning given to it in the forepart of this Agreement.
- (x) "Rama Operating Agreement" has the meaning given to it in the forepart of this Agreement.
- (y) "Rama Senior Debt" means the credit facilities to be provided to Rama pursuant to the loan agreement to be entered into between Rama as borrower, OCC, Borrower, certain affiliates of Rama and Borrower, the lenders named therein and The Bank of Nova Scotia as agent for the lenders, in accordance with the terms of the Rama Commitment Letter.
- (z) "Repayment Date" has the meaning given to it in Section 5(c).
- (aa) "Termination Date" has the meaning given to it by Section 5(c).
- (bb) "US Dollars" and "US\$" each means lawful money of the United States of America in same day immediately available funds or, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of

international banking transactions on the day payment is due hereunder.

1.2 Headings. The division of this Agreement into articles, sections, subsections, paragraphs, subparagraphs, clauses and schedules and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

1.3 References. Unless otherwise specified, references to Articles, Sections and Schedules are to Articles and Sections of, and Schedules to, this Agreement.

1.4 Number and Gender. Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 Time of Day. Unless otherwise specified, references to time of day or date mean local time or date in the City of Toronto, Province of Ontario.

1.6 Governing Law. This Agreement and each of the documents contemplated by or delivered under or in connection with this Agreement is governed by, and will be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario without regard to principles of conflicts of laws.

1.7 Attornment. Each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

1.8 Conflict. If there is a conflict between the provisions of this Agreement and the provisions of any other document contemplated by, or delivered under or in connection with, this Agreement, the provisions of this Agreement prevail.

1.9 Severability. If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (b) the legality, validity or enforceability of that provision in any other jurisdiction.

1.10 Time of Essence. Time is of the essence for every provision of this Agreement.

1.11 Statutory References. Each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

1.12 Schedules. The following Schedules are attached to and form part of this Agreement:

Schedule	Description
Schedule A	Form of Promissory Note
Schedule B	Form of Certificate of the Borrower's Chief Financial Officer.

1.13 Entire Agreement. This Agreement together with all documents contemplated by or delivered under or in connection with this Agreement, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

1.14 GAAP. Unless otherwise specified, each accounting term not otherwise defined in this Agreement has the meaning given to it, and each calculation is to be made and each financial statement is to be prepared, in accordance with GAAP.

1.15 Rules of Construction. Each party acknowledges that it and its legal counsel have reviewed and participated in settling the terms of this Agreement and that any rule of construction or

interpretation to the effect that any ambiguity is to be resolved against the drafting party will not be applicable in the construction or interpretation of this Agreement.

1.16 No Waiver. No failure, omission or delay on the part of the Lender in exercising any right, power or privilege hereunder shall impair such right, power or privilege or operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

SECTION 2 - CREDIT FACILITY

The Credit Facility is available as follows:

(a) The Borrower may, at any time and from time to time prior to the Opening Date, draw down amounts which shall be not less than US\$5,000,000 and in an integral multiple of US\$1,000,000 if in excess thereof (each such amount being referred to herein as a "Borrowing"), provided that the aggregate amount of all Borrowings shall not exceed the Amount. After the Opening Date, no new Borrowings shall be available under the Credit Facility. Upon the occurrence and continuance of an Event of Default, the Lender shall be under no further obligation to advance any new Borrowing hereunder.

(b) The Lender shall advance to the Borrower the amount of each Borrowing drawn down by the Borrower in accordance with paragraph (a) above within two (2) Business Days of receipt by the Lender of written notice of such drawdown in the form attached hereto as Schedule C. Such advance shall be in immediately available funds by wire transfer to such account as the Borrower may direct in writing. For greater certainty, no written notice of a drawdown hereunder made within five (5) Business Days of the Opening Date shall be binding on the Lender and no advance to the Borrower shall be made by the Lender after the Opening Date.

(c) The obligation of the Borrower to repay the Credit Facility shall be further evidenced by a promissory note the form attached hereto as Schedule A (the "Promissory Note"), which shall be dated as of the date hereof and shall be executed and delivered to the Lender simultaneously with the execution and delivery of this Agreement. The Promissory Note shall be deemed to reflect the aggregate unpaid principal amount of all indebtedness outstanding under the Credit Facility, whether or not the face amount of such note is in excess of the amount actually outstanding from time to time. The Promissory Note will be executed by the Borrower in Toronto, Ontario and delivered to the Lender in Toronto, Ontario.

(d) The Borrower may not reborrow any portion of the Credit Facility repaid to the Lender.

SECTION 3 - PURPOSES

The proceeds of the Credit Facility shall be used by the Borrower only for the purpose of advancing such proceeds to Rama by way of the Rama Loan as provided in the Rama Operating Agreement. The terms of the Rama Loan shall provide, inter alia, that the proceeds of the Rama Loan shall be used only for the purpose of the development and construction of the Rama Casino.

SECTION 4 - INTEREST

(a) The Borrower shall pay interest on the outstanding amount of the Credit Facility from time to time at the rate of 30% per annum, calculated monthly in arrears based on the actual number of days elapsed during such month in a year of 365 days, payable as prescribed by Section 5, with interest on overdue interest at the same rate set out above, compounded monthly.

(b) Interest payable under this provision is payable both before and after any or all of default, demand and judgement.

(c) The annual rate of interest to which the rate set out in Section 4(a) is equivalent for the purposes of the Interest Act (Canada) is the rate so determined multiplied by the number of days in the applicable calendar year and divided by 365.

(d) Notwithstanding the provisions of this Section 4 or any

other provision of this Agreement, in no event shall the aggregate "interest" (as that term is defined in Section 347 of the Criminal Code (Canada)) payments payable to the Lender hereunder exceed the effective annual rate of interest on the "credit advanced" (as defined therein) lawfully permitted under Section 347 of the Criminal Code (Canada). In the event that any such payments are prohibited as provided in this paragraph, such payments shall be made at the highest rate permitted.

SECTION 5 - REPAYMENT AND REDUCTION OF CREDIT FACILITY

The Borrower shall repay the Credit Facility as follows:

(a) Interest shall accrue on each Borrowing in accordance with Section 4 from the date of drawdown of such Borrowing until immediately prior to the Opening Date. The aggregate amount of interest accrued on all Borrowings immediately prior to the Opening Date is herein referred to as the "Accrued Opening Date Interest Amount". The Accrued Opening Date Interest Amount together with interest thereon, shall be repaid in twenty-four equal monthly instalments, payable on the first day of each month, commencing on the first day of the third month following the month in which the Opening Date falls. For greater certainty, interest shall continue to accrue on the outstanding balance of the Accrued Opening Date Interest Amount in accordance with Section 4 until such amount is repaid in full.

(b) Interest shall accrue on the amount of each Borrowing outstanding from time to time in accordance with Section 4 from and including the Opening Date (interest so accruing is herein referred to as "Post-Opening Interest"). Post-Opening Interest shall be payable monthly in arrears on the first day of each month commencing on the first day of the month immediately following the month in which the Opening Date falls (the "Initial Payment Date").

(c) The principal amount of the Borrowings shall be repaid in the amount of United States Dollars set forth next to the dates of repayment (each a "Repayment Date") as follows:

Repayment Date	Amount
First Anniversary of the Initial aggregate principal Payment Date	Five (5%) percent of the amount of all Borrowings outstanding on the Opening Date
Second Anniversary of the Initial Payment Date	Five (5%) percent of the aggregate principal amount of all Borrowings outstanding on the Opening Date
Third Anniversary of the Initial Payment Date	Five (5%) percent of the aggregate principal amount of all Borrowings outstanding on the Opening Date
Fourth Anniversary of the Initial aggregate principal Payment Date	Five (5%) percent of the aggregate principal amount of all Borrowings outstanding on the Opening Date
Fifth Anniversary of the Initial Payment Date	Five (5%) percent of the aggregate principal amount of all Borrowings outstanding on the Opening Date
Sixth Anniversary of the Initial Payment Date (the "Termination Date")	Aggregate amount of all outstanding Borrowings at the Termination Date.

(d) (i) Notwithstanding the provisions of Sections 5(a), (b) and (c), the Borrower shall, commencing on the Initial Payment Date, make monthly payments to Lender on the first day of each month equal to seventy-five (75%) percent of Available Cash Flow in respect of the immediately preceding month which shall be applied to pay the amounts referred to in Sections 5(a), (b) and (c) in respect of the Operating Year in which the relevant month occurs, subject, in each case, to the limitation that the

aggregate amount payable under this Section 5(d) (i) in any Operating Year shall not exceed the aggregate of the amounts payable pursuant to Sections 5(a), (b) and (c) in respect of such Operating Year.

- (ii) Within sixty (60) days following each Repayment Date, the Borrower shall pay to the Lender the amount, if any, equal to the difference between
 - (A) the aggregate amount paid by the Borrower to the Lender pursuant to Section 5(d) (i) during the Operating Year ending on such Repayment Date, and
 - (B) the aggregate of all amounts that would, but for the provisions of Section 5(d) (i), have been payable by the Borrower to the Lender pursuant to Sections 5(a), (b) and (c) in respect of such Operating Year,

together with all accrued interest thereon.

- (iii) All payments made pursuant to this Section 5(d) shall be applied as follows:
 - (A) firstly, to Post-Opening Interest and accrued interest thereon,
 - (B) secondly, to the Accrued Opening Date Interest Amount and accrued interest thereon, and
 - (C) the balance thereof to principal,or, after the occurrence and continuance of an Event of Default, otherwise as the Lender, in its sole discretion, may determine.

(e) For greater certainty, all amounts outstanding hereunder including, without limitation, all principal, interest and expenses of Lender under this Agreement shall be immediately due and payable on the earlier of (i) the Termination Date, and (ii) the date on which the Lender declares all amounts outstanding under the Credit Facility to be immediately due and payable in accordance with Section 10.

(f) All payments of principal and interest hereunder shall be made to the Lender in lawful money of the United States of America in immediately available funds. Whenever payment shall be due on a day other than a Business Day payment shall be made on the immediately preceding Business Day.

SECTION 6 - INCREASED COSTS

(a) The Borrower will reimburse or compensate the Lender for any increase in cost to the Lender or any reduction in income or effective return to the Lender in respect of the Credit Facility resulting from an imposition of or change in any condition or requirement (whether or not having the force of law) of any government, governmental agency or body, tribunal or regulatory authority including, without limitation, an imposition of or change in any tax payable by the Lender (other than a tax on the net income of the Lender derived from sources other than the transactions contemplated hereby) or any other requirement applicable to the Lender. If and whenever at any time or from time to time the Lender determines that it is entitled to be reimbursed or compensated hereunder, it will so notify the Borrower and will provide to the Borrower a statement in writing setting forth the amount of such compensation or reimbursement and the calculation thereof (which may include the use of reasonable averages and allocations) which shall be, in the absence of manifest error, conclusive evidence of the amount of such reimbursement or compensation required to be paid hereunder.

(b) Without limiting the generality of Section 6(a), the Borrower shall make all payments to the Lender in respect of the Credit Facility without setoff, counterclaim, restrictions or conditions of any kind and free and clear of, and without deduction or withholdings for or on account of, any present or future duties, taxes, levies, imposts, fees, deductions, assessments, withholdings

or other charges of any nature whatsoever or interest, penalties or other amounts in respect thereof (collectively, "Taxes") unless such deduction or withholding is required by law or the administrative practice of any taxation authority. If any such deduction or withholding is so required, the Borrower shall (i) pay such additional amounts as may be necessary in order that the Lender receives a net amount after such deduction or withholding (including any deduction or withholding in respect of such additional amounts) equal to the full amount that the Lender would have received had no such deduction or withholding been required, and (ii) pay the full amount deducted or withheld to the relevant taxation authority in accordance with applicable law and forthwith after payment furnish the Lender with a receipt evidencing such payment. If the Borrower fails to pay to the relevant taxation authority when due any Taxes that it was required to deduct or withhold under this paragraph 6(b) in respect of any payment to Lender hereunder or fails to furnish Lender with the receipt referred to above, the Borrower shall indemnify the Lender on an after-tax basis for any Taxes that may become payable as a result of such failure. The Borrower's obligations under this Section 6(b) shall survive the termination or revocation of this Agreement and the payment of all amounts payable under this Agreement and the Credit Facility.

(c) (i) The Lender shall notify the Borrower in writing of any assessment or reassessment (a "Claim") pertaining to a matter in respect of which the Borrower may be liable to make payments under Section 6(a) or 6(b) within 30 days of the date on which the Lender receives such a Claim provided that in the event of failure to give such notice, such failure shall not reduce the obligations of the Borrower hereunder (except to the extent that such failure materially prejudices the contest of such Claim).

(ii) The Borrower shall have the right, by notice to the Lender given not later than 10 days after receipt by the Borrower of notice of a Claim to assume control of the defence, compromise or settlement of the Claim at its own expense but only so long as the Borrower is not in default under any provision of this Agreement.

(iii) Upon the assumption of control of any Claim by the Borrower, the Borrower shall diligently proceed with the defence, compromise or settlement of the Claim at its sole expense and, in connection therewith, the Lender shall cooperate fully, but at the expense of the Borrower to take such steps as in the reasonable opinion of the Borrower, are necessary to enable the Borrower to negotiate, defend, settle or compromise such Claim. The Borrower shall consult with the Lender and its counsel in good faith with respect to the Lender's interest with respect to any Claim and shall diligently keep the Lender informed of the progress of any Claim. No settlement, compromise or disposition of any Claim may be made by the Borrower without the written consent of the Lender.

(iv) Nothing herein shall oblige the Lender to defend, compromise or settle any Claim or request any refund of taxes referred to in Section 6(b).

(d) If the Lender receives any refund of taxes (i) in respect of which the Lender received reimbursement or compensation from the Borrower under Section 6(a), or (ii) which were paid by the Borrower to a relevant taxation authority under Section 6(b), the Lender shall, within 15 days of the date on which any right of any taxing authority to dispute the Lender's entitlement to such refund expires, pay to the Borrower the net amount of such refund (after deducting any taxes payable by the Lender with respect to such refund); provided that the Lender shall not be required to make a payment under this Section 6(c) if an Event of Default has occurred and is continuing.

The Borrower may, at any time and from time to time, upon three (3) Business Days written notice to the Lender, prepay any portion of the Borrowings outstanding in minimum amounts of U.S.\$100,000.00. Concurrently with any prepayment, the Borrower shall pay a prepayment premium of ten (10%) percent of the amount of Borrowings being prepaid in compensation for lost income to the Lender.

SECTION 8 - REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender:

- (a) it is a corporation validly incorporated and subsisting under the laws of the Province of Nova Scotia, and that it is duly registered or qualified to carry on business in all jurisdictions where the nature of its properties, assets or its business makes such registration or qualification necessary;
- (b) the execution and delivery of this Agreement and of all Promissory Notes contemplated hereby have been duly authorized by all necessary actions and do not (i) violate any law, regulation or rule by which it is bound, (ii) violate any provision of its memorandum or articles of incorporation or other incorporation or organization documents, by-laws or any unanimous shareholders' agreement to which it is subject, or (iii) result in a breach of, a default under, or the creation of any Encumbrance on its properties and assets under any agreement or instrument to which it is a party or by which it or any of its properties and assets may be bound or affected;
- (c) no event has occurred which constitutes, or which with giving of notice, lapse of time or other condition would constitute, a default having a material adverse effect on its financial condition under or in respect of any agreement, undertaking or instrument to which it or any of its properties or assets may be subject;
- (d) the principal place of business of the Borrower is at the Rama Casino in Ontario, Canada; and
- (e) the issued and outstanding shares in the capital of the Borrower consists of one hundred (100) common shares of no par value, all of which are held legally and beneficially by CHC Casinos Corp., a Florida corporation. All of the issued and outstanding shares in the capital of CHC Casinos Corp. are held legally and beneficially by the Guarantor.

SECTION 9 - COVENANTS

The Borrower covenants and agrees with the Lender, while this Agreement is in effect or any Borrowings are outstanding:

- (a) to pay all sums of money when due under this Agreement;
- (b) to maintain its corporate existence as a validly subsisting corporate entity;
- (c) to provide the Lender with the following:
 - (i) monthly, consolidated Borrower-prepared financial statements, including an income statement, balance sheet and cash flow statement (in appropriate form and sufficient detail to support all calculations required in connection with the Borrower's obligations under this Agreement including, without limitation, Section 5(d) hereof) all in form satisfactory to Lender within 30 days of each month-end, together with a certificate of the Chief Financial Officer of the Borrower as to the accuracy and completeness of such statements and as to other matters in the form attached as Schedule "B",
 - (ii) annual, consolidated audited financial statements within 120 days of each fiscal year end accompanied by an auditor's report,
 - (iii) annual business plans, budgets and all other information provided to Rama or the OCC pursuant to the Rama Operating Agreement (as the same may

be amended, restated, supplemented or replaced from time to time), simultaneously with the delivery of such materials to such parties, unless such information is required to be kept confidential by the provisions of the Rama Operating Agreement (as the same may be amended, restated, supplemented or replaced from time to time),

- (iv) monthly financial statements of Rama, including an income statement, balance sheet and cash flow statement within 30 days of each month-end and any other financial statements or similar statements of Rama received by the Borrower whether pursuant to the Rama Loan or the Rama Operating Agreement, and
- (v) such other financial and operating statements and reports as the Lender may reasonably request;
- (d) to notify the Lender promptly of any change in the information provided under the representations and warranties contained in Sections 8(c), (d) or (e);
- (e) to give the Lender prompt notice of any Event of Default or any event which, with notice or lapse of time, or both, would constitute an Event of Default;
- (f) to enter into the documents and agreements contemplated by the Rama Commitment Letter to be entered into by the Borrower no later than April 30, 1996 on terms and conditions substantially as set out in the Rama Commitment Letter, with such changes as the Lender may approve, acting reasonably, and deliver to the Lender a copy of all such documents and agreements forthwith after the execution and delivery thereof, and not to agree to or suffer to exist, without the express written consent of the Lender, any surrender or termination of such documents and agreements or any amendment or waiver of any provision in respect of payments or repayments under or the term of such documents and agreements;
- (g) to file all income tax returns which are or will be required to be filed by it, to pay or make provision for payment of all taxes (including interest and penalties) which are or will become due and payable by it and to provide adequate reserves for the payment of any tax the payment of which is being contested;
- (h) except as contemplated by the Rama Commitment Letter or the documents and agreements entered into in connection therewith, not to grant, create, assume or suffer to exist any Encumbrance affecting any of its properties, assets or other rights, without the prior written consent of the Lender;
- (i) not to incur any indebtedness of any nature or kind without the prior written consent of the Lender except:
 - (i) indebtedness owing to trade creditors of the Borrower incurred in the ordinary course of the Borrower's business,
 - (ii) indebtedness related to guarantees given by the Borrower in favour of Rama and the OCC in respect of cost overruns and operating deficits incurred in connection with the operation of the Rama Casino pursuant to the Rama Operating Agreement, and
 - (iii) indebtedness related to guarantees given by the Borrower in favour of The Bank of Nova Scotia (as agent under the Rama Senior Debt) as contemplated by the Rama Commitment Letter;
- (j) except as contemplated by the Rama Operating Agreement or the Rama Commitment Letter, not to invest in any other person by way of equity investment or otherwise or provide any financial assistance (by way of loan, guarantee or otherwise) to any other person, without the prior written consent of the Lender;

- (k) not to sell, transfer, convey, lease or otherwise dispose of any material part of its property or assets;
- (l) not to engage in or carry on any business other than the operation of the Rama Casino in accordance with the provisions of the Rama Operating Agreement and the making of the Rama Loan;
- (m) not to issue any additional shares from treasury or to cause any of its subsidiaries to issue any shares from their respective treasuries; and
- (n) not to change its name or merge, amalgamate or consolidate with any other corporation or take part in any capital or corporate reorganization or similar proceeding or arrangement.

SECTION 10 - EVENTS OF DEFAULT

The occurrence of any one or more of the following events or circumstances constitutes an "Event of Default" under this Agreement:

- (a) the Borrower fails to pay any principal, interest, fees or other amounts under this Agreement when due, whether by acceleration or otherwise and such failure continues unremedied for a period of three (3) days following the date on which written notice thereof is given by the Lender to the Borrower;
- (b) the Borrower fails to comply with any covenant or other provision of this agreement or any other agreement with the Lender and such failure continues unremedied for a period of ten (10) days following the date on which written notice thereof is given by the Lender to the Borrower or, if such failure is not capable of being remedied within such ten (10) day period, if the Borrower does not commence in good faith the remedying thereof within such period or does not thereafter prosecute to completion with diligence and continuity the remedying thereof;
- (c) any representation or warranty made herein or in any document, agreement or certificate delivered pursuant hereto shall be false or inaccurate in any material respect;
- (d) the Rama Casino is not open to the public by August 15, 1996;
- (e) any voluntary or involuntary case or proceeding (including the filing of any notice) is commenced under any bankruptcy, insolvency, incorporation or other applicable law in any jurisdiction in respect of the:
 - (i) bankruptcy, liquidation, winding-up, dissolution or suspension of general operations,
 - (ii) composition, rescheduling, reorganization, arrangement or readjustment of, or other relief from, or stay or proceedings to enforce, some or all of the debts or obligations,
 - (iii) appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, or for all or a substantial part of the assets, or
 - (iv) possession, foreclosure, seizure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or a substantial part of the assets,

of the Borrower and, in the case of an involuntary case or proceeding, the Borrower acquiesces to such case or proceeding or the Borrower does not actively and diligently contest such case or proceeding in good faith and such case or proceeding is not dismissed, vacated or stayed within sixty (60) days of institution;

- (f) the Borrower is unable to meet its liabilities generally as

they become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;

(g) the Borrower:

(i) fails at any time to pay any indebtedness in the aggregate amount of U.S.\$75,000 (or the Equivalent Amount thereof in any currency) or more when due and such failure continues unremedied for a period of ten (10) days, or

(ii) fails to perform or observe any material covenant or agreement contained in any agreement or in any instrument evidencing, securing or relating to any indebtedness in the aggregate amount of U.S.\$75,000 (or the Equivalent Amount thereof in any currency) or more and, as a result of that failure, any other party to that agreement or instrument exercises a right to accelerate the maturity of any amount owing under that agreement or instrument;

(h) any writ, execution, attachment or similar process is threatened, issued or levied against all or any part of the assets of the Borrower in connection with any judgment against the Borrower unless it is being actively and diligently contested in good faith by appropriate and timely proceedings or where the assets affected or the amount involved do not, in the opinion of the Lender, materially affect the assets or business of the Borrower;

(i) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of, or forecloses, seizes or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over, all or a substantial part of the assets of the Borrower or gives notice of its intention to do any of the foregoing;

(j) the Borrower suspends or threatens to suspend or cease to carry on business;

(k) the Guarantor fails to perform or observe any material covenant or agreement contained in, or is in default under, the Guaranty Agreement; and

(l) the Borrower ceases to be the operator of the Rama Casino or receives proper notice of termination as operator of the Rama Casino in accordance with the provisions of the Rama Operating Agreement or the documents evidencing or securing the Rama Senior Debt.

Upon the occurrence and continuance of an Event of Default, the Lender may, by written notice to the Borrower, declare all amounts outstanding under the Credit Facility to be immediately due and payable. The Borrower shall immediately pay to the Lender all such outstanding amounts, including, without limitation all principal, interest and expenses of Lender under or in connection with this Agreement.

SECTION 11 - CONDITIONS TO EFFECTIVENESS

The effectiveness of this agreement is subject to and conditional upon the receipt, in form and substance satisfactory to the Lender of:

- (a) a duly executed copy of this Agreement;
- (b) a duly executed copy of the Guaranty Agreement;
- (c) certified copy of the Rama Operating Agreement duly executed by all parties thereto;
- (d) certified copy of the Rama Commitment Letter duly executed by all parties thereto;
- (e) a certificate of the chief financial officer of the Borrower attaching monthly projections of Available

Cash Flow in respect of the fifteen month period commencing with the month in which the Opening Date falls;

- (f) an officer's certificate of each of the Borrower and the Guarantor with respect to:
 - (i) its articles, by-laws and shareholder agreements (if any),
 - (ii) resolutions of its board of directors authorizing it to execute, deliver and perform its obligations under this Agreement and any documents delivered pursuant hereto or in connection herewith, and
 - (iii) the names, offices and specimen signatures of the persons authorized to sign this Agreement and the agreements and documents contemplated hereby;
- (g) an officer's certificate of the Borrower with respect to the accuracy of the representations and warranties contained herein and the absence of any defaults;
- (h) certificate of status in respect of the Borrower;
- (i) certificate of good standing status in respect of the Guarantor;
- (j) an opinion of legal counsel to the Borrower;
- (k) an opinion of legal counsel to the Guarantor;
- (l) such other documents as the Lender may reasonably request; and
- (m) payment of Lender's legal and other fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby.

The obligation of the Lender to make available the Borrowings is further subject to and conditional upon the Lender being of the opinion that a material adverse change in the financial condition, ownership, or operation of the Borrower or any subsidiary has not occurred.

SECTION 12 - INDEMNITY

The Borrower shall indemnify the Lender from and against all losses, damages, expenses and liabilities which the Lender sustains or incurs as a consequence of any default by the Borrower under any of the provisions of this agreement or any misrepresentation by the Borrower contained in or delivered in writing in connection with this agreement.

SECTION 13 - EXPENSES

The Borrower shall pay the reasonable fees (including, but not limited to, all fees of the Lender's counsel on a solicitor and client basis) and expenses incurred by the Lender in connection with the preparation, negotiation, documentation and operation of the Credit Facility including the enforcement of the Lender's rights under the Credit Facility whether or not any amounts are advanced under the Credit Facility.

SECTION 14 - CURRENCY CONVERSION

If, for the purpose of obtaining judgement in any court, determining the amount outstanding under this agreement or for any other purpose, it is necessary to convert an amount in one currency (the "Original Currency") into another currency (the "Second Currency"), the Equivalent Amount of the Second Currency shall be used. If the conversion relates to a judgement, the conversion shall be performed as of the date 2 Business Days preceding that on which judgement is given. For all other purposes, the conversion shall be performed as of the date and time of determination.

The Borrower agrees that any obligations in respect of any Original Currency due from it to the Lender shall, notwithstanding any judgement or payment in any Second Currency, be discharged only

to the extent that, on the Business Day following receipt of any sum so paid or adjudged to be due in the Second Currency, the Lender may, in accordance with normal banking procedures, purchase, in the Toronto foreign exchange market, the Original Currency with the amount of the Second Currency so paid or so adjudged to be due; and if the amount of the Original Currency so purchased is less than the amount of the Original Currency due to the Lender, the Borrower agrees, as a separate obligation and notwithstanding any such payment or judgement, to pay the Lender the amount of the Second Currency required to purchase the amount of the Original Currency necessary to make up such difference on such date together with interest (at the rate per annum set forth in the Interest provision hereof) and expenses (including legal fees on a solicitor and client basis) from such date to the date of payment.

SECTION 15 - ASSIGNMENT AND PARTICIPATION

This agreement shall be binding upon and enure to the benefit of the Lender and the Borrower and their respective successors and permitted assigns. The Lender may assign or transfer its rights, benefits and obligations to any other Person ("Assignee"). After any such assignment or transfer, the term "Lender" as used in this agreement shall be deemed to be the Assignee to the extent of its interest.

In assigning or transferring all or any part of its rights or obligations as aforesaid, the Lender may reveal to potential Assignees or participants all or any information regarding the Borrower as the Lender deems necessary or desirable.

This Agreement may not be assigned by the Borrower without the prior written consent of the Lender, which consent may be arbitrarily withheld.

SECTION 16 - NOTICE

Unless otherwise specified, any notice to a party must be given in writing and delivered personally or by courier, sent by prepaid registered or certified mail to the party as follows:

If to the Lender:

Carnvial Corporation
3655 N.W. 87th Avenue
Miami, Florida
U.S.A. 33178-2428
Attention: Vice President of Finance

If to the Guarantor:

CHC International, Inc.
3250 Mary Street
Miami, Florida
U.S.A. 33133
Attention: Robert Sturges and Peter Temling

If to the Borrower:

CHC Casinos Canada Limited
c/o CHC International, Inc.
3250 Mary Street
Miami, Florida
U.S.A. 33133

Attention: Robert Sturges and Peter Temling

or to any other address or Person that the party designates. Any such notice will be deemed to have been given when actually received.

SECTION 17 - EXPIRY DATE

This offer is open for acceptance until March 27, 1996 unless extended in writing by the Lender.

Please acknowledge your acceptance of the above terms and conditions by signing the attached copy of this letter under your corporate seal in the space provided below and returning it to the

undersigned.

Yours truly,

Howard S. Frank
Vice Chairman

We acknowledge and accept the terms
and conditions of this agreement as
of the date first above written.

CHC CASINOS CANADA LIMITED

By:/s/ W. Peter Temling

Title:Sr. Vice President

CHC INTERNATIONAL, INC.

By:/s/ W. Peter Temling

Title:Sr. Vice President

Schedule "A" to the agreement dated as of the 27th day of March, 1996 between CHC Casinos Canada Limited as Borrower, CHC International, Inc. as Guarantor and Carnival Corporation as Lender.

PROMISSORY NOTE

U.S.\$25,000,000 Principal Sum

March 27, 1996

FOR VALUE RECEIVED, the undersigned (the "Borrower") promises to pay to or to the order of Carnival Corporation (the "Lender") at its office at 3655 N.W. 87th Avenue, Miami, Florida, U.S.A. 33178-2428, the lesser of:

- (i) the sum of TWENTY-FIVE MILLION United States Dollars (U.S.\$25,000,000) (the "Amount"), and
- (ii) the aggregate unpaid principal balance of all advances made to the Borrower by the Lender, as determined on the grids appearing on any attachment hereto,

together with interest thereon at the rate of 30% per annum, calculated and compounded monthly in arrears, with interest on overdue interest at the same rate set out above, at the times and otherwise in accordance with the terms of the letter agreement dated March 27, 1996 between the Borrower, CHC International, Inc. and the Lender (the "Agreement").

This promissory note is the promissory note referred to in and is subject to, and the Borrower and the holder of this promissory note are entitled to the benefits of, the Agreement. The Agreement contains, inter alia provisions regarding (i) the payment of principal and interest provided for herein, and (ii) the acceleration of the maturity hereof upon the occurrence of certain stated events. All capitalized terms used herein and not otherwise defined herein shall have the same meanings as are prescribed in the Agreement.

Interest payable under this promissory note is payable both before and after any or all of default, demand and judgement.

All payments of principal and interest hereunder shall be made to the Lender in lawful money of the United States of America in immediately available funds. Whenever payment shall be due on a day other than a Business Day payment shall be made on the immediately preceding Business Day.

The Borrower hereby waives presentment for payment, demand, notice of dishonour, protest and all other notices of any kind relating to this promissory note of the enforcement hereof.

The Borrower hereby irrevocably authorizes the Lender to record on any attachments hereto, all advances and repayments and the unpaid principal balance of advances from time to time. The Borrower agrees that, in the absence of manifest error in such recordations, they shall be prima facie evidence of the amount of the unpaid principal balance, except for the failure of the Lender to correctly record the amount of any advance or any claim for the repayment of such advance and the interest thereon.

This promissory note and each of the documents contemplated by or delivered under or in connection with this promissory note is governed by, and will be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

The Borrower and the holder of this promissory note irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

If any provision of this promissory note is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this promissory note; or
- (b) the legality, validity or enforceability of that provision in any other jurisdiction.

Time is of the essence for every provision of this promissory note.

In witness whereof the undersigned has executed this promissory note
as of the date first written above.

CHC CASINOS CANADA LIMITED

By: _____

Title: _____ (Seal)

Executed before me at City of Toronto,
in the Province of Ontario,
this 27th day of March,
1996

A Notary Public in and for
the Province of Ontario.

Schedule of Advances and Reductions of Principal

Date
Amount of
Principal
Advanced
Amount of
Principal
Paid
Unpaid
Principal
Balance
Notation
Made By

Schedule "B" to the agreement dated as of the 27th day of March, 1996 between CHC Casinos Canada Limited as Borrower, CHC International, Inc. as Guarantor and Carnival Corporation as Lender.

MONTHLY CERTIFICATE OF THE BORROWER'S CHIEF FINANCIAL OFFICER

To: CARNIVAL CORPORATION
3655 N.W. 87th Avenue
Miami, Florida
33178-2428
U.S.A.

Attention: Gerald R. Cahill

Dear Sirs/Mesdames:

I, _____, the undersigned, in my capacity as Chief Financial Officer of CHC Casinos Canada Limited (the "Borrower"), after due inquiry, hereby certify that:

1. This Certificate is delivered pursuant to Section 9(c)(i) of the letter agreement dated March 27, 1996 between Carnival Corporation as Lender, CHC International, Inc. as guarantor and the Borrower as borrower (the "Loan Agreement"). All capitalized terms appearing in this certificate shall have the meaning assigned to such terms pursuant to the Loan Agreement.

2. I am familiar with and have examined the provisions of the Loan Agreement and have made such reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and others which in my opinion are sufficient to enable me to make an informed statement herein.

3. Based on the foregoing, the Borrower is not in default in the performance or observance of any of the terms, covenants, agreements or conditions of the Loan Agreement, nor has any event or circumstance occurred which, with notice or lapse of time, or both, would constitute an Event of Default [except for those set forth in Exhibit A hereto].

4. Attached hereto as Exhibit [A or B as applicable] are the monthly, consolidated financial statements, of the Borrower which I verily believe to be complete and accurate in all material respects as of the dates thereof and for the periods covered thereby.

5. Attached as Exhibit [B or C as applicable] is the calculation of the amount payable pursuant to Section 5(d) of the Loan Agreement in respect of the month ended on the date of the financial statements attached hereto as Exhibit [A or B applicable].

Dated at _____, this _____ day of _____, _____.

CHC CASINOS CANADA LIMITED

By:
Name:
Title: Chief Financial Officer

TO: Carnival Corporation ("Offeror")
3655 NW 87 Avenue
Miami, Florida
United States of America

and

21 February, 1996

CS First Boston Limited
One Cabot Square
London E14 4QJ
United Kingdom

Dear Sirs,

Proposed partial offers for shares in Airtours plc

6. This letter sets out the terms on which I undertake to accept the offer to be made by (or on behalf of) Offeror (the "Ordinary Offer") to acquire up to 20,000,000 ordinary shares representing 17.34 per cent of the current issued ordinary share capital of Airtours plc ("Offeree").
7. The Ordinary Offer and the offer by (or on behalf of) Offeror (the "Preference Offer") to acquire up to 8,758,612 convertible cumulative preference shares representing 17.34 per cent of the issued convertible cumulative preference share capital of Offeree (together with the Ordinary Offer, "the Offers") shall be made substantially on the terms of the attached draft press announcement (the "Press Announcement"), any additional terms and conditions as may be required to comply with the requirements of The City Code on Takeovers and Mergers (the "Code"), the London Stock Exchange and the Securities and Exchange Commission and any additional terms and conditions agreed between Offeror and Offeree.
8. I warrant and undertake to you that:
 - 8.1 I am the registered holder and beneficial owner of 30,000,000 (the "Offeree Ordinary Shares") ordinary shares of 10p each in the capital of Offeree ("Ordinary Shares");
 - 8.2 I hold the Offeree Ordinary Shares free from any lien, charge or other encumbrance, equity or third party right of any nature; and
 - 8.3 I have full power and authority to accept the Ordinary Offer in respect of such number of Offeree Ordinary Shares as is referred to in paragraph 4.
 - 4.1 I shall (save as provided herein) irrevocably accept the Ordinary Offer in respect of 5,201,224 of the Offeree Ordinary Shares ("the Shares").
 - 4.2 My acceptance in respect of the Shares shall be made by 09.00 am (London time) on the first closing date of the Offers in accordance with the procedure for acceptance set out in the formal document containing the Offers (the "Offer Document") to be despatched to Shareholders.
 - 4.3 I undertake that Offeror will acquire the Shares pursuant to the Ordinary Offer free from any lien, charge, or other encumbrance, equity or other third party right of any nature and together with all rights of any nature attaching or accruing to them including the right to all dividends declared, made or paid after the date of this letter.
 - 4.4 I shall elect to receive only Class A Common Stock of Offeror as consideration under the Ordinary Offer.
 - 4.5 My obligations under paragraphs 4.1 to 4.4 (inclusive) shall not apply to prevent me accepting in respect of all my Offeree Ordinary Shares (but not some only) and shall terminate in the event that there is made a general offer made by a third party to acquire the whole of the issued ordinary share capital of Offeree (other than ordinary shares already held by such third party or persons acting in concert therewith), which is unanimously recommended by the directors of Offeree, on terms which represent (in the opinion of the Directors of Offeree) an improvement on the value of the consideration offered under the

Ordinary Offer as at the date on which a firm intention to make such general offer is announced (a "Competing Offer"). In the event that I accept a Competing Offer and if the Competing Offer is declared wholly unconditional, I shall pay you a cash sum and/or transfer securities to you (as provided below) having an aggregate value in an amount equal to 20% of the product of (i) 30,000,000 and (ii) the difference between the amount per Ordinary Share of (a) the cash and the fair market value of any other consideration given to the holders of the Ordinary Shares pursuant to the Competing Offer, as determined by the directors of Offeree in good faith, and (b) L4.50. I shall pay cash/transfer securities (as provided below) to you of an aggregate value equal to such amount the business day after I receive the consideration under the Competing Offer. In respect thereof, you hereby agree if requested by me to accept payment by way of the transfer of non-cash consideration including loan notes (other than loan notes received by me in respect of a Competing Offer which becomes or is declared unconditional in all respects on or after April 7, 1996) of the same type to the extent and in the same percentage (or such lower percentage as I may specify) as I receive it as consideration under the Competing Offer provided however that I will be responsible for paying all costs and expenses incurred in transferring any securities or other non-cash consideration (including, for the avoidance of doubt all transfer or other taxes) to the Offeror. Notwithstanding the foregoing provisions, with respect to any non-cash consideration that I receive in respect of a Competing Offer which becomes or is declared unconditional in all respects prior to April 7, 1996, you hereby agree that I shall have no obligation hereunder to make any payment or transfer of non-cash consideration in your favour (or to determine in what manner any liability which I may on April 7, 1996, have to you hereunder is to be discharged) until April 7, 1996. Notwithstanding my absolute obligation to pay cash/transfer securities (as aforesaid) to you of an aggregate value equal to such amount as aforesaid, you agree that you shall discuss with me and consider in good faith potential alternative structures which I may propose in connection with any liability which I may have to you in such circumstances in order to help me minimise any tax liability which may arise by virtue of my accepting the Competing Offer or otherwise by reason of the provisions of this paragraph 4.5.

- 4.6 An offer shall not be prevented from being a Competing Offer within the meaning of paragraph 4.5 solely by reason of the fact that, when such offer is announced, the making of it is stated to be the subject of a precondition to the effect that the resolution referred to in paragraph 7.1 below is not passed.
5. In order to secure the performance of my obligations under paragraph 4, I irrevocably appoint any director for the time being of Offeror to be my attorney in my name and on my behalf to execute a Form or Forms of Acceptance and/or such other documents and to do such other acts and things as may be necessary to accept (or procure the acceptance of) the Ordinary Offer in respect of the Shares. However:
 - 5.1 the appointment shall not take effect until 09.00 am (London time) on the first closing date of the Offers and only then if I have failed to comply with my obligations in paragraph 4.2; and
 - 5.2 such attorney shall act in accordance with paragraph 4.4 (where applicable).
6. Although the terms of the Ordinary Offer will give accepting shareholders the right to withdraw acceptances at any time after the first closing date of the Offers and before the Offers become or are declared unconditional in all respects I shall not withdraw my acceptance of the Ordinary Offer in respect of the Shares unless a Competing Offer is announced.
7. Until the Ordinary Offer becomes or is declared unconditional in all respects, lapses or is withdrawn (or a firm intention to make a Competing Offer, as defined in paragraph 4.5, is announced):
 - 7.1 I shall exercise the voting rights attached to the Offeree Ordinary Shares in favour of the resolution (the "Special Resolution") to be proposed at a general meeting of Offeree for the purpose of increasing the authorised share capital of

Offeree and disapplying the provisions of section 89 of the Companies Act 1985 in respect of the proposed allotment to you by Offeree, as referred to in the Press Announcement, of 20,000,000 new Ordinary Shares;

- 7.2 Subject to my duties as a director of Offeree, I shall not, without the prior written consent of Offeror, signed by a duly authorised director, requisition or join in the requisition of any general or class meeting of Offeree for the purpose of considering any resolution affecting or having an impact on the Offers or the proposed allotment referred to in paragraph 7.1 other than the Special Resolution; and
- 7.3 Subject to my duties as a director of Offeree, I shall not take any action or make any statement which is or may be prejudicial to the success of the Offers (it being agreed that any action or statement which I may take or make in relation to a Competing Offer, or an offer or approach which the Board of Directors of Offeree unanimously believes could be or may become a Competing Offer or lead to the person making such approach (or on whose behalf such approach is made) making a Competing Offer, shall not constitute a breach of this paragraph 7.3).

And in particular (without limitation):

- 7.4 Subject to the provisions of paragraph 4.5, I shall not offer any Offeree Ordinary Shares to any person or accept any other offer in respect of all or any of the Offeree Ordinary Shares;
- 7.5 I shall not make any offer to acquire or acquire the whole or any part of the issued share capital of Offeree and I shall procure that no company which I control (as such term is defined in Section 840 of the Income and Corporation Taxes Act 1988), will make such an offer or acquisition; and
- 7.6 I shall not enter into any agreement or arrangement with any person, whether conditionally or otherwise, to do any of the acts referred to in this paragraph 7.2 to 7.5;

Provided always that nothing in this paragraph 7 (or elsewhere in this letter) shall prevent me from (i) engaging in discussions with any person or persons in connection with a Competing Offer (as defined in paragraph 4.5), or any offer or approach which the Board unanimously believes could be or may become a Competing Offer or lead to the person making such approach (or on whose behalf such approach is made) making a Competing Offer or (ii) at any time after the Board unanimously comes to believe that any such offer, if made, would constitute a Competing Offer, undertaking to accept and/or recommend to shareholders, or recommending, any such offer or allowing any such undertaking to be referred to in any announcement of a Competing Offer.

8. I agree to:
- 8.1 the issue of the Press Announcement in the terms attached (including the reference to me);
- 8.2 details of this undertaking being set out in the Offer Document and in any document filed by the Offeror with the Securities and Exchange Commission as a result of the transactions described herein or my being appointed a director of the Offeror;
- 8.3 this undertaking being available for inspection during the offer period (as defined in the Code).
9. I shall supply you promptly on request with all information, including details of my interests and dealings in securities of Offeror and Offeree, and (to the extent that such information is reasonably available to me) those of any other person interested in the Shares, as may be required by the Code for inclusion in the Offer Document or as may be required by the securities laws and regulations of the United States of America for inclusion in any document filed by the Offeror with the Securities and Exchange Commission as a result of the transactions described herein or my being appointed a director of the Offeror. I shall notify you promptly of any changes to such information but in relation to the interests and dealings of any person other than myself, only to the extent that such changes are notified to me.

10. In my capacity as director of Offeree, I undertake (subject to my duties as a director of Offeree) to use all reasonable endeavours to procure that:
- 10.1 the Offer Document (unless posted after the announcement of a firm intention to make a Competing Offer, as defined in paragraph 4.5) is accompanied by a letter from the directors of Offeree to Offeree shareholders, in a form agreed with Offeror (such agreement not to be unreasonably withheld or delayed), in which the directors unanimously recommend shareholders to vote in favour of the Special Resolution to the extent that such recommendation is not inconsistent with their duties as directors;
- 10.2 Offeree and its directors provide Offeror and its advisers with any reasonable assistance and information, execute any documents reasonably required by the Offeror and do anything reasonably considered to be necessary to enable Offeror to:
- (a) make the Offers in accordance with the requirements of the London Stock Exchange, the Code and the securities laws and regulations of the United States of America; and
 - (b) despatch the Offer Document promptly.
- 10.3 Until the Ordinary Offer becomes or is declared unconditional in all respects, lapses or is withdrawn (or a firm intention to make a Competing Offer, as defined in paragraph 4.5, is made):
- (a) that without prior consultation with the Offeror and, in so far as is practicable giving due consideration to its views, no member of the Offeree Group will enter into any transaction outside the ordinary course of business which is material in the context of the Offeree Group as a whole; and
 - (b) that without the prior consent of the Offeror:
 - (i) there is no amendment to the memorandum or articles of association of any member of the Offeree Group;
 - (ii) there is no alteration to the authorised or issued share capital of any member of the Offeree Group and no options or rights granted over any such share capital (other than pursuant to the Special Resolution or in order to satisfy existing rights or entitlements);
 - (iii) there is no amendment (other than the coming into effect of an amendment prior to the date of this letter which has been disclosed to the Offeror specifically for the purposes of this letter) to the service agreement or other arrangements with any director of Offeree;
 - (iv) no member of the Offeree Group makes any acquisition or disposal of assets of a material amount as defined in Note 2 to rule 21 of the Code or grants any interest over assets of a material amount; or
 - (v) no special resolution is proposed at any general meeting of the Offeree (other than the Special Resolution).

11. Offeror's agreement to make the Offers is conditional on no event occurring or becoming known to you before despatch of the Offer Document as a result of which the Panel on Takeovers and Mergers (the "Panel") requires or permits Offeror not to make the Offer.

12. I agree that until the Ordinary Offer becomes or is declared unconditional in all respects, lapses or a firm intention to make a Competing Offer is announced and save as required by law or the rules of the London Stock Exchange or the Code, I shall neither for my own account nor on behalf of Offeree (and I shall not permit any person on my behalf to) (i) initiate, solicit or encourage, directly or indirectly, any inquiries or the making

of any proposal or offer (including, without limitation, any proposal or offer to shareholders of Offeree) with respect to a merger, consolidation or similar transaction involving, or any purchase of any of the shares of, Offeree or any purchase of any of any assets of Offeree or any of its subsidiaries having a value in excess of £25 million (or the shares of entities holding the same) (any such proposal or offer being hereinafter referred to as an "Acquisition Proposal," except that "Acquisition Proposal" shall not include any such transaction among Offeree and Offeror, Offeree and its wholly owned subsidiaries or among Offeree's wholly owned subsidiaries) or (ii) engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person relating to an Acquisition Proposal, or (iii) otherwise facilitate directly or indirectly any effort or attempt to make or implement an Acquisition Proposal. I will immediately terminate and use all reasonable endeavours to procure (in so far as in my capacity as a Director of Offeree I am able) that Offeree terminates any existing discussions or negotiations with any parties conducted to-date with respect to any Acquisition Proposal. I will promptly notify you if any such inquiries or proposals are received by me, any such information is requested from me, or any such negotiations or discussions are sought to be initiated or continued. Notwithstanding the foregoing, if Offeree receives a Competing Offer or an offer or approach which the board of directors of Offeree unanimously believes could be or may become a Competing Offer or lead to the person making such approach (or on whose behalf such approach is made) making a Competing Offer, I will promptly notify you of such offer or approach and I may engage in the above-mentioned, or any other, activities.

13.1 I agree that, save as provided in paragraph 13.2 and if and to any extent the number of Ordinary Shares in respect of which you do obtain acceptances pursuant to the Ordinary Offer (including excess applications) falls short of 20,000,000, I will sell to you at the time when the Ordinary Offer becomes or is declared unconditional in all respects and you will purchase upon the same terms per ordinary share as the terms of the Ordinary Offer such additional number of my Offeree Ordinary Shares as is equal to such shortfall, save to the extent of any part of such shortfall which is to be satisfied by Mr T. Trickett pursuant to the terms of an undertaking of even date herewith. In respect of any such sale of additional Offeree Shares, I shall receive consideration in the form of Class A Common Stock of Offeror on the same terms (including as to the date of settlement) as under the Ordinary Offer.

13.2 The provisions of paragraph 13.1 shall terminate upon the announcement of a Competing Offer and shall be of no effect at any time after the making of any such announcement.

14. This undertaking will lapse if:

14.1 the Press Announcement is not released by 8.30a.m. on 22 February, 1996;

14.2 the Offer Document is not posted to shareholders of Offeree within 28 days (or such longer period as the Panel may agree) after the date of the Press Announcement; or

14.3 the Ordinary Offer lapses or is withdrawn.

If the undertaking lapses, I shall have no claim against Offeror and Offeror shall have no claim against me.

15. Any date, time or period referred to in this undertaking shall be of the essence except to the extent to which I and Offeror agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.

16. I have been given a realistic opportunity to consider whether or not I should give this undertaking and whether I should receive independent advice about the nature of this undertaking.

17. I agree that damages would not be an adequate remedy for breach of this undertaking.

18. I acknowledge that, in connection with the Offers, C S First

TO: Carnival Corporation ("Offeror")
3655 NW 87 Avenue
Miami, Florida
United States of America

and

21 February, 1996

CS First Boston Limited
One Cabot Square
London E14 4QJ
United Kingdom

Dear Sirs,

Proposed partial offers for shares in Airtours plc

21. This letter sets out the terms on which I undertake to accept the offer to be made by (or on behalf of) Offeror (the "Ordinary Offer") to acquire up to 20,000,000 ordinary shares representing 17.34 per cent of the current issued ordinary share capital of Airtours plc ("Offeree").
22. The Ordinary Offer and the offer by (or on behalf of) Offeror (the "Preference Offer") to acquire up to 8,758,612 convertible cumulative preference shares representing 17.34 per cent of the issued convertible cumulative preference share capital of Offeree (together with the Ordinary Offer, "the Offers") shall be made substantially on the terms of the attached draft press announcement (the "Press Announcement"), any additional terms and conditions as may be required to comply with the requirements of The City Code on Takeovers and Mergers (the "Code"), the London Stock Exchange and the Securities and Exchange Commission and any additional terms and conditions agreed between Offeror and Offeree.
23. I warrant and undertake to you that:
 - 23.1 I am the registered holder and beneficial owner of 7,000,000 (the "Offeree Ordinary Shares") ordinary shares of 10p each in the capital of Offeree ("Ordinary Shares");
 - 23.2 Subject only to the terms of a deed of even date herewith between myself and David Crossland, I hold the Offeree Ordinary Shares free from any lien, charge or other encumbrance, equity or third party right of any nature; and
 - 23.3 I have full power and authority to accept the Ordinary Offer in respect of such number of Offeree Ordinary Shares as is referred to in paragraph 4.
- 4.1 I shall (save as provided herein) irrevocably accept the Ordinary Offer in respect of 2,000,000 of the Offeree Ordinary Shares ("the Shares").
- 4.2 My acceptance in respect of the Shares shall be made by 09.00 am (London time) on the first closing date of the Offers in accordance with the procedure for acceptance set out in the formal document containing the Offers (the "Offer Document") to be despatched to Shareholders.
- 4.3 I undertake that Offeror will acquire the Shares pursuant to the Ordinary Offer free from any lien, charge, or other encumbrance, equity or other third party right of any nature and together with all rights of any nature attaching or accruing to them including the right to all dividends declared, made or paid after the date of this letter.
- 4.4 I shall elect to receive only Class A Common Stock of Offeror as consideration under the Ordinary Offer.
- 4.5 My obligations under paragraphs 4.1 to 4.4 (inclusive) shall not apply to prevent me accepting in respect of all my Offeree Ordinary Shares (but not some only) and shall terminate in the event that there is made a general offer

made by a third party to acquire the whole of the issued ordinary share capital of Offeree (other than Ordinary Shares already held by such third party or persons acting in concert therewith), which is unanimously recommended by the directors of Offeree, on terms which represent (in the opinion of the Directors of Offeree) an improvement on the value of the consideration offered under the Ordinary Offer as at the date on which a firm intention to make such general offer is announced (a "Competing Offer"). In the event that I accept a Competing Offer and if the Competing Offer is declared wholly unconditional, I shall pay you a cash sum and/or transfer securities to you (as provided below) having an aggregate value in an amount equal to 20% of the product of (i) 7,000,000 and (ii) the difference between the amount per Ordinary Share of (a) the cash and the fair market value of any other consideration given to the holders of the Ordinary Shares pursuant to the Competing Offer, as determined by the directors of Offeree in good faith, and (b) L4.50. I shall pay cash/transfer securities (as provided below) to you of an aggregate value equal to such amount the business day after I receive the consideration under the Competing Offer. In respect thereof, you hereby agree if requested by me to accept payment by way of the transfer of non-cash consideration (other than loan notes) of the same type to the extent and in the same percentage (or such lower percentage as I may specify) as I receive it as consideration under the Competing Offer provided however that I will be responsible for paying all costs and expenses incurred in transferring any securities or other non-cash consideration (including, for the avoidance of doubt all transfer or other taxes) to the Offeror. Notwithstanding my absolute obligation to pay cash/transfer securities (as aforesaid) to you of an aggregate value equal to such amount as aforesaid, you agree that you shall discuss with me and consider in good faith potential alternative structures which I may propose in connection with any liability which I may have to you in such circumstances in order to help me minimise any tax liability which may arise by virtue of my accepting the Competing Offer or otherwise by reason of the provisions of this paragraph 4.5.

4.6 An offer shall not be prevented from being a Competing Offer within the meaning of paragraph 4.5 solely by reason of the fact that, when such offer is announced, the making of it is stated to be the subject of a precondition to the effect that the resolution referred to in paragraph 7.1 below is not passed.

5. In order to secure the performance of my obligations under paragraph 4, I irrevocably appoint any director for the time being of Offeror to be my attorney in my name and on my behalf to execute a Form or Forms of Acceptance and/or such other documents and to do such other acts and things as may be necessary to accept (or procure the acceptance of) the Ordinary Offer in respect of the Shares. However:

5.1 the appointment shall not take effect until 09.00 am (London time) on the first closing date of the Offers and only then if I have failed to comply with my obligations in paragraph 4.2; and

5.2 such attorney shall act in accordance with paragraph 4.4 (where applicable).

6. Although the terms of the Ordinary Offer will give accepting shareholders the right to withdraw acceptances at any time after the first closing date of the Offers and before the Offers become or are declared unconditional in all respects I shall not withdraw my acceptance of the Ordinary Offer in respect of the Shares unless a Competing Offer is announced.

7. Until the Ordinary Offer becomes or is declared unconditional in all respects, lapses or is withdrawn (or a firm intention to make a Competing Offer, as defined in paragraph 4.5, is announced):

7.1 I shall exercise the voting rights attached to the Offeree Ordinary Shares in favour of the resolution (the "Special Resolution") to be proposed at a general meeting of Offeree for the purpose of increasing the authorised share capital of

Offeree and disapplying the provisions of section 89 of the Companies Act 1985 in respect of the proposed allotment to you by Offeree, as referred to in the Press Announcement, of 20,000,000 new Ordinary Shares;

7.2 Subject to my duties as a director of Offeree, I shall not, without the prior written consent of Offeror, signed by a duly authorised director, requisition or join in the requisition of any general or class meeting of Offeree for the purpose of considering any resolution affecting or having an impact on the Offers or the proposed allotment referred to in paragraph 7.1 other than the Special Resolution; and

7.3 Subject to my duties as a director of Offeree, I shall not take any action or make any statement which is or may be prejudicial to the success of the Offers (it being agreed that any action or statement which I may take or make in relation to a Competing Offer, or an offer or approach which the Board of Directors of Offeree unanimously believes could be or may become a Competing Offer or lead to the person making such approach (or on whose behalf such approach is made) making a Competing Offer, shall not constitute a breach of this paragraph 7.3).

And in particular (without limitation):

7.4 Subject to the provisions of paragraph 4.5, I shall not offer any Offeree Ordinary Shares to any person or accept any other offer in respect of all or any of the Offeree Ordinary Shares;

7.5 I shall not make any offer to acquire or acquire the whole or any part of the issued share capital of Offeree and I shall procure that no company which I control (as such term is defined in Section 840 of the Income and Corporation Taxes Act 1988), will make such an offer or acquisition; and

7.6 I shall not enter into any agreement or arrangement with any person, whether conditionally or otherwise, to do any of the acts referred to in this paragraph 7.2 to 7.5;

Provided always that nothing in this paragraph 7 (or elsewhere in this letter) shall prevent me from (i) engaging in discussions with any person or persons in connection with a Competing Offer (as defined in paragraph 4.5), or any offer or approach which the Board unanimously believes could be or may become a Competing Offer or lead to the person making such approach (or on whose behalf such approach is made) making a Competing Offer or (ii) at any time after the Board unanimously comes to believe that any such offer, if made, would constitute a Competing Offer, undertaking to accept and/or recommend to shareholders, or recommending, any such offer or allowing any such undertaking to be referred to in any announcement of a Competing Offer.

8. I agree to:

8.1 the issue of the Press Announcement in the terms attached (including the reference to me);

8.2 details of this undertaking being set out in the Offer Document and in any document filed by the Offeror with the Securities and Exchange Commission as a result of the transactions described herein;

8.3 this undertaking being available for inspection during the offer period (as defined in the Code).

9. I shall supply you promptly on request with all information, including details of my interests and dealings in securities of Offeror and Offeree, and (to the extent that such information is reasonably available to me) those of any other person interested in the Shares, as may be required by the Code for inclusion in the Offer Document or as may be required by the securities laws and regulations of the United States of America for inclusion in any document filed by the Offeror with the Securities and Exchange Commission as a result of the transactions described herein. For the period of 40 days following the Ordinary Offer becoming or being declared unconditional in all respects I shall notify you promptly of any changes to such information but in relation to the interests and dealings of any person other than

myself, only to the extent that such changes are notified to me.

10. In my capacity as director of Offeree, I undertake (subject to my duties as a director of Offeree) to use all reasonable endeavours to procure that:
 - 10.1 the Offer Document (unless posted after the announcement of a firm intention to make a Competing Offer, as defined in paragraph 4.5) is accompanied by a letter from the directors of Offeree to Offeree shareholders, in a form agreed with Offeror (such agreement not to be unreasonably withheld or delayed), in which the directors unanimously recommend shareholders to vote in favour of the Special Resolution to the extent that such recommendation is not inconsistent with their duties as directors;
 - 10.2 Offeree and its directors provide Offeror and its advisers with any reasonable assistance and information, execute any documents reasonably required by the Offeror and do anything reasonably considered to be necessary to enable Offeror to:
 - (a) make the Offers in accordance with the requirements of the London Stock Exchange, the Code and the securities laws and regulations of the United States of America; and
 - (b) despatch the Offer Document promptly.
 - 10.3 Until the Ordinary Offer becomes or is declared unconditional in all respects, lapses or is withdrawn (or a firm intention to make a Competing Offer, as defined in paragraph 4.5, is made):
 - (a) that without prior consultation with the Offeror and, in so far as is practicable giving due consideration to its views, no member of the Offeree Group will enter into any transaction outside the ordinary course of business which is material in the context of the Offeree Group as a whole; and
 - (b) that without the prior consent of the Offeror:
 - (i) there is no amendment to the memorandum or articles of association of any member of the Offeree Group;
 - (ii) there is no alteration to the authorised or issued share capital of any member of the Offeree Group and no options or rights granted over any such share capital (other than pursuant to the Special Resolution or in order to satisfy existing rights or entitlements);
 - (iii) there is no amendment (other than the coming into effect of an amendment prior to the date of this letter which has been disclosed to the Offeror specifically for the purposes of this letter) to the service agreement or other arrangements with any director of Offeree;
 - (iv) no member of the Offeree Group makes any acquisition or disposal of assets of a material amount as defined in Note 2 to rule 21 of the Code or grants any interest over assets of a material amount; or
 - (v) no special resolution is proposed at any general meeting of the Offeree (other than the Special Resolution).
11. Offeror's agreement to make the Offers is conditional on no event occurring or becoming known to you before despatch of the Offer Document as a result of which the Panel on Takeovers and Mergers (the "Panel") requires or permits Offeror not to make the Offer.
12. I agree that until the Ordinary Offer becomes or is declared unconditional in all respects, lapses or a firm intention to make a Competing Offer is announced and save as required by law or the rules of the London Stock Exchange or the Code, I shall neither for my own account nor on behalf of Offeree (and I shall not permit any person on my behalf to) (i) initiate, solicit or encourage, directly or indirectly, any inquiries or the making of any proposal or offer (including, without limitation, any proposal or offer to shareholders of

Offeree) with respect to a merger, consolidation or similar transaction involving, or any purchase of any of the shares of, Offeree or any purchase of any of any assets of Offeree or any of its subsidiaries having a value in excess of L25 million (or the shares of entities holding the same) (any such proposal or offer being hereinafter referred to as an "Acquisition Proposal," except that "Acquisition Proposal" shall not include any such transaction among Offeree and Offeror, Offeree and its wholly owned subsidiaries or among Offeree's wholly owned subsidiaries) or (ii) engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person relating to an Acquisition Proposal, or (iii) otherwise facilitate directly or indirectly any effort or attempt to make or implement an Acquisition Proposal. I will immediately terminate and use all reasonable endeavours to procure (in so far as in my capacity as a Director of Offeree I am able) that Offeree terminates any existing discussions or negotiations with any parties conducted to-date with respect to any Acquisition Proposal. I will promptly notify you if any such inquiries or proposals are received by me, any such information is requested from me, or any such negotiations or discussions are sought to be initiated or continued. Notwithstanding the foregoing, if Offeree receives a Competing Offer or an offer or approach which the board of directors of Offeree unanimously believes could be or may become a Competing Offer or lead to the person making such approach (or on whose behalf such approach is made) making a Competing Offer, I will promptly notify you of such offer or approach and I may engage in the above-mentioned, or any other, activities.

13.1 I agree that, save as provided in paragraph 13.2 and if and to any extent the number of Ordinary Shares in respect of which you do obtain acceptances pursuant to the Ordinary Offer (including excess applications) falls short of 20,000,000, I will sell to you at the time when the Ordinary Offer becomes or is declared unconditional in all respects and you will purchase upon the same terms per Ordinary Share as the terms of the Ordinary Offer such additional number of my Offeree Ordinary Shares as is equal to 18.91892 per cent of such shortfall or, if less, 1,500,000 of such ordinary shares. In respect of any such sale of additional Offeree Shares, I shall receive consideration in the form of Class A Common Stock of Offeror on the same terms (including as to the date of settlement) as under the Ordinary Offer.

13.2 The provisions of paragraph 13.1 shall terminate upon the announcement of a Competing Offer and shall be of no effect at any time after the making of any such announcement.

14. This undertaking will lapse if:

- 14.1 the Press Announcement is not released by 8.30a.m. on 22 February, 1996;
- 14.2 the Offer Document is not posted to shareholders of Offeree within 28 days (or such longer period as the Panel may agree) after the date of the Press Announcement; or
- 14.3 the Ordinary Offer lapses or is withdrawn.

If the undertaking lapses, I shall have no claim against Offeror and Offeror shall have no claim against me.

15. Any date, time or period referred to in this undertaking shall be of the essence except to the extent to which I and Offeror agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.

16. I have been given a realistic opportunity to consider whether or not I should give this undertaking and whether I should receive independent advice about the nature of this undertaking.

17. I agree that damages would not be an adequate remedy for breach of this undertaking.

18. I acknowledge that, in connection with the Offers, C S First Boston is acting for Offeror and for no-one else and agree

that C S First Boston will not be responsible to me for providing the protections afforded to its customers nor for providing advice in relation to the Offers.

19. This undertaking is governed by English law and we each hereby submit to the exclusive jurisdiction of the High Court of Justice in England.

20. I acknowledge that any shares of Class A Common Stock of Offeror to be acquired by me pursuant to paragraph 13 hereof have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered, sold, resold or delivered directly or indirectly in or into the United States or to, or for the account or benefit of, a US person (as defined in Regulation 5 promulgated under the Securities Act), except pursuant to an available exemption from registration. I also agree to be bound by the same offering restrictions as are applicable to shares of Class A Common Stock to be issued in the Ordinary Partial Offer and agree to make similar representations to the Offeror in respect of United States securities laws as if I had signed a form of acceptance under the Ordinary Partial Offer in respect of any Offeree Ordinary Shares sold by me pursuant to paragraph 13.1.

Signed as a deed by)
THOMAS TRICKETT) /s/ Thomas Trickett
in the presence of:)

/s/ R.N.F. Lee Signature of witness

R.N.F. Lee Name of witness

Addleshaw, Sons & Latham Address of witness

Dennis House, Marsden St.

Manshester

Solicitor Occupation of witness

Agreed and accepted by

/s/ Howard S. Frank

for and on behalf of
Carnival Corporation

21 February, 1996

SHAREHOLDERS' AGREEMENT

between

CARNIVAL CORPORATION

and

DAVID CROSSLAND

Dated February 21, 1996

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SHAREHOLDERS' AGREEMENT

SHAREHOLDERS' AGREEMENT, dated February __, 1996 (this "Agreement"), between Carnival Corporation, a Panamanian Corporation (the "Purchaser") and David Crossland (the "Existing Shareholder").

W I T N E S S E T H :

WHEREAS, the Purchaser and Airtours plc, a company incorporated under the laws of England and Wales (the "Company"), have entered into a share subscription agreement ("the Subscription Agreement") whereby the Purchaser has agreed to subscribe for 20 million Ordinary Shares of the Company for L5.00 per Ordinary Share, upon the terms and subject to the conditions contained therein (the "Share Subscription");

WHEREAS, the Purchaser and the Company have announced that the Purchaser intends to commence a partial offer for up to 20 million Ordinary Shares of the Company and a partial offer for up to 8,758,612 Preference Shares of the Company, upon the terms and subject to the conditions set forth in the press announcement (a copy of which is annexed hereto) to be dated February __, 1996 (the "Partial Offers");

WHEREAS, the Existing Shareholder and Thomas Trickett have agreed, subject to the Partial Offers becoming unconditional in all respects and the obligations of the Existing Shareholder and Thomas Trickett pursuant to the irrevocable undertakings of even date herewith not having terminated pursuant to paragraph 4.5 thereof, to sell to the Purchaser such further number of Ordinary Shares (the "Share Purchase") so that after the Share Subscription, the Partial Offers and the Share Purchase are consummated the Purchaser shall own 40 million Ordinary Shares and up to 8,758,612 Preference Shares.

WHEREAS, in order to induce the Purchaser to consummate the Share Subscription, the Partial Offers and the Share Purchase, the parties hereto wish to restrict the transfer of the Ordinary Shares and the Common Stock of the Purchaser to be held by the Existing Shareholder immediately following completion of the Share Subscription, the Partial Offers and the Share Purchase.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the adequacy of which are hereby acknowledged, the parties hereto agree as follows:

21. Definitions.

As used in this Agreement, the following terms shall have the meanings set forth below:

"Board of Directors" means the Board of Directors of the Company.

"Closing Date" means the date on which the Partial Offers become or are declared wholly unconditional.

"Common Stock" means shares of Class A Common Stock, par value \$.01 per share, of the Purchaser (including any other capital stock of the Purchaser into which the Class A Common Stock may be reclassified or reconstituted and also including any capital stock of the Purchaser arising from such Common Stock by reason of any stock split and/or consolidation in relation to such stock).

"Family Members" has the meaning assigned such term in Section 2.2.2.

"Family Trust" has the meaning assigned such term in Section 2.2.2.

"Involuntary Transfer" means any transfer, proceeding or action by or in which the Existing Shareholder shall be deprived or divested of any right, title or interest in or to any Ordinary Shares,

including, without limitation, any seizure under levy of attachment or execution, any transfer in connection with bankruptcy (whether pursuant to the filing of a voluntary or an involuntary petition under the bankruptcy laws of England and Wales or elsewhere) or other court proceeding to a debtor in possession, trustee in bankruptcy or receiver or other officer or agency.

"Ordinary Shares" means ordinary shares of 10p each in the capital of the Company (including any other shares in the capital of the Company into which such ordinary shares may at any time be converted and also including any shares in the capital of the Company arising from the same by reason of any subdivision and/or consolidation of such Ordinary Shares or by reason of any issue of shares in the Company by way of capitalisation of reserves).

"Permitted Transferees" has the meaning assigned such term in Section 2.2.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind.

"Shares" means all such Ordinary Shares as are held by the Existing Shareholder immediately following completion of the Partial Offers and the Share Purchase and all such Common Stock as is received by the Existing Shareholder pursuant to the Partial Offers and the Share Purchase.

"Shareholders" shall mean the Existing Shareholder and any Permitted Transferee and the term "Shareholder" shall mean any such Person.

"Shareholders' Meeting" has the meaning assigned such term in Section 4.1.

"transfer" has the meaning set forth in Section 2.1.

"Written Resolution" has the meaning set forth in Section 4.1.

22. Restrictions on Transfer of Shares.

22.1 Limitation on Transfer

Prior to the second anniversary of the Closing Date, the Existing Shareholder shall not sell, give, assign, hypothecate, pledge, charge, encumber, grant a lien or security interest in or otherwise transfer (whether by operation of law or otherwise) any Shares or any right, title or interest therein or thereto (including, without limitation, any beneficial interests or voting rights in the Shares) (each a "transfer"), except (i) in accordance with the provisions of this Agreement or (ii) with the consent of the Purchaser or (iii) any transfer by way of acceptance of the Partial Offers or in implementation of the Share Purchase; or (iv) any Involuntary Transfer. Any attempt to transfer any Shares or any rights thereunder in violation of the preceding sentence shall be null and void ab initio and, with respect to Common Stock, the Purchaser shall not register any such transfers. For the avoidance of doubt neither the provisions of this Section 2 nor the provisions of Section 3 shall apply to any Ordinary Shares acquired by the Existing Shareholder after Completion of the Partial Offers and the Share Purchase or to any Common Stock acquired by the

Existing Shareholder otherwise than pursuant to the Partial Offers
and the Share Purchase.

22.2 Permitted Transfers

Notwithstanding anything to the contrary contained in this Agreement, the Existing Shareholder may transfer Shares in accordance with Section 2.2 and Sections 2.3 and 2.4 (the Persons to whom the Existing Shareholder may so transfer Shares (other than a transfer under Section 2.2.2) being referred to hereinafter as "Permitted Transferees").

22.2.1 Transfers by the Existing Shareholder

At any time, the Existing Shareholder may transfer any or all of his Shares to a member of his immediate family, which shall include his parents, spouse, siblings, children (and any children of his spouse or former spouse) or grandchildren (and any grandchildren of his spouse or former spouse) ("Family Members"), or a trust, corporation, limited liability company or partnership, all of the beneficial interests in which shall be held by him or one or more of his Family Members (collectively, a "Family Trust"); provided, however, that during the period any such trust, corporation, or partnership holds any right, title or interest in any Shares, no Person other than David Crossland or one or more of his Family Members may be or become beneficiaries, stockholders, members or limited or general partners thereof.

22.2.2 Exchange Transactions

At any time, the Existing Shareholder may sell Shares; provided, that the aggregate sales proceeds (net of selling expenses and brokerage costs, but not any applicable taxes) from such sales ("the Permitted Sales") made at any time after this Agreement becomes effective (whether or not during the two years following the Closing Date) may not exceed L25 million. The Existing Shareholder may also sell Shares generating sales proceeds (net of selling expenses and brokerage costs) of up to a sum equal to the amount of any capital gains tax payable in respect of the Permitted Sales (and/or in respect of the sale of Shares in accordance with this sentence) provided that such sale proceeds (net of selling expenses and brokerage costs) do not exceed L10 million in the aggregate. In addition to any Shares which may be disposed of in accordance with the preceding two sentences, the Existing Shareholder may sell Shares such that the aggregate sale proceeds (net of selling expenses and brokerage costs, but not any applicable taxes) from such sales equal the amount of the capital gains tax, if any, payable by the Existing Shareholder in respect of his disposal of Ordinary Shares in the Partial Offers and/or the Share Purchase (including capital gains tax payable as a result of sales of Shares in accordance with this sentence). For purposes of this Section 2.2.2, any sales in U.S. dollars shall be converted into pounds sterling on the basis of the noon buying rate in New York City for pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York, in each case, on the date or dates on which such Shares are sold.

22.3 Permitted Transfer Procedures

If the Existing Shareholder wishes to transfer Shares under this Section 2, the Existing Shareholder shall give notice to the Purchaser of its intention to make any transfer permitted under this Section 2 not less than seven (7) days prior to effecting such transfer, which notice (in the case of a transfer under Section 2.2.1) shall state the name and address of each Permitted Transferee to whom such transfer is proposed and the number and type of Shares proposed to be transferred to such Permitted Transferee or, with respect to any transfer under Section 2.2.2, the number and type of Shares to be sold and the proposed date or dates of sale (it being understood that the Existing Shareholder shall be under no obligation to sell any Shares on such date or dates and that he shall be entitled to sell the relevant Shares on (an) alternative date(s) without giving any further notification hereunder Provided that such Shares are sold not less than eight (8) days after the relevant notification has been given hereunder and not more than 30 days after the proposed date (or the last of the proposed dates) for such sale(s) referred to in such notification).

22.4 Agreement to be Bound; Substitution of Transferee

No transfer (other than a transfer pursuant to Section 2.2.2) may be made pursuant to this Section 2 unless the Permitted Transferee has agreed in writing in respect of the Shares so transferred to be bound by the terms and conditions of this Agreement. With respect to the Shares transferred to a Permitted Transferee, the Permitted Transferee shall be substituted for, and enjoy the same rights and be subject to the same obligations, as its predecessor hereunder.

22.5 Registration Rights

If the Existing Shareholder proposes to transfer any Common Stock received pursuant to the Partial Offers and the Share Purchase, other than in contravention of the provisions of this Agreement, the Existing Shareholder may request that its United States securities counsel (which shall be Cleary, Gottlieb, Stein & Hamilton or another United States securities counsel designated by the Existing Shareholder and reasonably acceptable to the Purchaser) ("Shareholder Counsel") deliver a legal opinion to him and the Purchaser that the proposed transfer can be made without registration under Section 5 of Securities Act of 1933, as amended (the "Act"), subject to customary assumptions and qualifications (the "Securities Law Opinion"), which legal opinion shall be reasonably satisfactory to the Existing Shareholder and the Purchaser. If Shareholder Counsel is unable to deliver the Securities Law Opinion, then the Existing Shareholder may request that the Purchaser's United States securities counsel (which shall be Paul, Weiss, Rifkind, Wharton & Garrison or another United States securities counsel designated by the Purchaser and reasonably acceptable to the Existing Shareholder) ("Purchaser Counsel") deliver the Securities Law Opinion to him and the Purchaser, which legal opinion shall be reasonably satisfactory to the Existing Shareholder and the Purchaser. The Existing Shareholder shall cooperate with Purchaser Counsel by delivering customary certificates and other information reasonably requested by Purchaser Counsel and the Purchaser shall use all reasonable endeavours to procure that Purchaser Counsel shall either deliver the Securities Law Opinion, or confirm that it is not able to give such an opinion, as soon as reasonably practicable after receipt of the relevant request from the Existing Shareholder. If Purchaser Counsel is unable to deliver the Securities Law Opinion with respect to the proposed transfer, then the Purchaser agrees to enter into a registration rights agreement with the Existing Shareholder, on customary terms and conditions, to provide the Existing Shareholder (as soon as reasonably practicable after it has become apparent that the Securities Law Opinion cannot be given either by Shareholder Counsel or Purchaser Counsel) with (i) demand registration rights for one registration statement to allow the resale of the Common Stock acquired by the Existing Shareholder in the Partial Offers and the Share Purchase and then held by him (the "Subject Shares") and (ii) piggy-back registration rights with respect to the Subject Shares. Notwithstanding the foregoing, the Purchaser shall not be required to provide a Securities Law Opinion or to enter into a registration rights agreement if, in the opinion of Purchaser Counsel (which opinion is delivered in writing to the Purchaser and the Existing Shareholder in a form reasonably satisfactory of the Existing Shareholder and the Purchaser), the Existing Shareholder may resell the Subject Shares under Rule 144 promulgated under the Act (or any successor provision) within a period of 180 days.

23. Notice of Proposed Transfers.

23.1 If, at any time on or after the second anniversary of the Closing Date, the Existing Shareholder wishes to sell or otherwise transfer any Shares which are Ordinary Shares (other than in accordance with Sections 2.2 and 2.3), the Existing Shareholder shall first notify the Purchaser in writing of such intention and shall not enter into (or agree to enter into) such transfer or disposition until at least 15 days after the giving of such notice. During such 15 day period, the Purchaser or another Person designated by the Purchaser may make an offer to purchase such Ordinary Shares and the parties agree to discuss such offer. Under no circumstances shall the Existing Shareholder be obligated to sell such Ordinary Shares to the Purchaser or another Person by virtue of this Section 3.

23.2 The provisions of Section 3.1 shall have no application to:

- (a) any transfer(s) of Ordinary Shares after the second anniversary of the Closing Date if such transfer by the Existing Shareholder shall be made in accordance with Sections 2.2 and 2.3; or
- (b) to any transfer of less than 2,500,000 (or such greater number as shall from time to time represent 25% of the Ordinary Shares then held by the Existing Shareholder) Ordinary Shares ("the Transfer Limit") Provided that transfers exempted from clause 3.1 pursuant to this clause 3.2 (b) shall not in aggregate exceed, during any three month period, the Transfer Limit.

24. Directors

24.1 Election of Directors

24.1.1 In his capacity as director of the Company, the Existing Shareholder agrees (subject to his duties as a director of the Company) to use all reasonable endeavours to procure that if the Partial Offers become or are declared unconditional in all respects, the directors of the Company shall promptly approve the appointment of Micky Arison and Howard S. Frank as directors of the Company.

24.1.2 On or after the Closing Date, for so long as the Purchaser owns Ordinary Shares representing at least 20% of the Company's ordinary share capital in issue from time to time and the Purchaser owns Ordinary Shares which (taking full account of any sub-division and/or consolidation of the ordinary share capital of the Company, or any issue by the Company by way of capitalisation of reserves, after the date of this Agreement) represent at least 75% of the aggregate number of Ordinary Shares acquired by the Purchaser in the Partial Offers, the Share Subscription and the Share Purchase, the Existing Shareholder shall vote all Ordinary Shares and other voting securities of the Company then held by him in all elections for directors of the Company whether at any annual or extraordinary general meeting of shareholders of the Company or in any written resolution executed in lieu of such a meeting so that the Board of Directors shall (subject to the Board of Directors having approved the identity of the relevant individuals as referred to in Clause 6.3 of the Subscription Agreement) include at all times two individuals designated by the Purchaser (the "Purchaser Directors") Provided that the Existing Shareholder shall not be obliged hereunder to vote all or any of his Ordinary Shares (or other voting securities of the Company), or otherwise comply with the provisions of this Section 4.1.2, in respect of any resolution to appoint, or re-appoint, to the Board of Directors of the Company any individual whose office as a director of the Company has been vacated pursuant to the Articles of Association of the Company or in respect of whom a resolution of the Company in general meeting removing him from such office has been passed or a resolution of the Company in general meeting in relation to his appointment or re-appointment as a director has failed to be passed. Subject to the other provisions of this Section 4.1, the Purchaser's rights under the preceding sentence shall continue if the Purchaser owns Ordinary Shares representing less than 20% of the ordinary share capital of the Company in issue from time to time if such percentage falls below 20% solely by reason of the Purchaser not participating in any issue of Ordinary Shares by the Company which is not made available to the Purchaser (a "Restricted Share Offer"). The provisions of the first sentence of this Section 4.1.2 shall continue to apply, but in respect of only one Purchaser Director (a) if the Purchaser's percentage ownership of the issued ordinary share capital of the Company falls below 20% other than solely by reason of the Purchaser not participating in a Restricted Share Offer or (b) if such percentage ownership falls below 15% for any reason. Once the Purchaser's percentage ownership in the ordinary share capital of the Company has fallen below 15%, other than solely by reason

of the Purchaser not participating in a Restricted Share Offer, or below 10% for any reason, the provisions of this Section 4.1.2 shall be of no effect.

24.2 Removal and Replacement

After the Closing Date, the Purchaser shall be entitled at any time and for any reason (or for no reason) to designate one or both of the Purchaser Directors for removal. If at any time after the Closing Date, a vacancy is created on the Board of Directors by reason of the death, removal or resignation of any Purchaser Director, then the Purchaser shall designate a nominee or nominees to be elected to fill such vacancy until the next annual general meeting of the Company, and provided that such nominee shall have been approved by the Board of Directors as referred to in Clause 6.3 of the Subscription Agreement the Existing Shareholder shall, as soon as practicable after the date such vacancy first occurs and in any event prior to the transaction of any other business by the shareholders recommend such nominee(s) to the shareholders of the Company and at any general meeting of the Company vote all Ordinary Shares and other voting securities of the Company then held by him to elect such nominee or nominees. The rights of the Purchaser under this Section 4.2 shall be reduced or extinguished to the same extent as the rights provided for in Section 4.1.

24.3 The Existing Shareholder

For so long as the Existing Shareholder is required pursuant to Section 4.1.2 to vote his Ordinary Shares and other voting securities of the Company for at least one Purchaser Director and David Crossland remains the Executive Chairman or Chief Executive of the Company, then the Purchaser agrees that, on any resolution relating to the appointment or re-appointment to the Board of Directors of the Company, or removal from such Board, of David Crossland, whether at any annual or extraordinary general meeting of shareholders of the Company or in any written resolution executed in lieu of such a meeting, it shall vote all Ordinary Shares and other voting securities of the Company held by it in favour of Mr Crossland's appointment or re-appointment to such Board (or, as the case may be, retention on such Board) Provided that the provisions of this Section 4.3 shall not apply in respect of any resolution to appoint, or re-appoint, Mr Crossland to such Board if he shall have vacated office as a director of the Company pursuant to the Articles of Association of the Company or if a resolution of the Company in general meeting removing him from such office has been passed or if a resolution of the Company in general meeting in relation to his appointment or re-appointment to such office has failed to be passed.

24.4 Purchaser's Appointment of the Existing Shareholder

The Purchaser hereby undertakes to the Existing Shareholder that David Crossland shall be appointed a Director of the Purchaser immediately following the later of (i) the Closing Date and (ii) the Purchaser's 1996 Annual Meeting of Stockholders (scheduled to be held on April 15, 1996) and further undertakes that the Purchaser will not thereafter remove him from the Board of Directors of the Purchaser or procure or seek or instigate his removal from such Board until the earliest of the following events: (i) David Crossland ceasing to be the Executive Chairman or Chief Executive of the Company; (ii) the rights of the Purchaser pursuant to the provisions of Section 4.1.2 either (a) ceasing or (b) reducing so as to apply in respect of only one Purchaser Director where such reduction occurs for any reason other than as a result of the issue of Ordinary Shares as consideration in the acquisition of another Person or part or all of the undertaking of another Person and (iii) the Existing Shareholder ceasing to hold Common Stock which (taking full account of any stock split, stock dividend, recapitalisation subdivision, or other consolidation in relation to such stock after the date of this Agreement) represents less than 500,000 shares of the Common Stock issued to the Existing Shareholder pursuant to the Partial Offers and the Share Purchase Provided that the Purchaser shall not be obliged to maintain (or seek to maintain) David Crossland on its Board of Directors or to seek to procure his re-appointment of such Board if he is not eligible to serve as a Director under the Company's or the Purchaser's Articles of Association or by-laws or under applicable law.

25. Exceptions to Restrictions.

- (i) Without complying with Sections 2 or 3, the Existing Shareholder may transfer any or all of his Ordinary Shares pursuant to (a) an offer, tender offer or partial offer commenced by any Person which is either unanimously recommended by the Board of Directors or is recommended by all of the members of the Board of Directors other than Purchaser Directors or (b) a general offer made by any Person for the entire issued ordinary share capital of the Company (other than Ordinary Shares held by such Person or parties acting in concert with it) or (c) a merger, recapitalization, reorganisation, scheme of arrangement, consolidation or similar transaction approved by the holders of the Ordinary Shares.
- (ii) Without complying with Section 2, the Existing Shareholder may transfer any or all of his Common Stock pursuant to (a) a tender offer or exchange offer commenced (1) by the Company or (2) by any other Person with respect to which the Board of Directors of the Purchaser sends to its stockholders a statement that it recommends such offer or is neutral with respect to such offer, (b) a tender offer or exchange offer made by any Person for all of the outstanding shares of Common Stock of the Purchaser (other than shares of Common Stock held by such Person and its affiliates) or (c) pursuant to a merger, recapitalization, consolidation or similar transaction approved by the holders of the Common Stock.
- (iii) Notwithstanding any other provision of this Agreement, Section 2 shall not apply to the Existing Shareholder's participation in the Partial Offers in accordance with his Irrevocable Undertaking dated as of the date hereof or selling certain of his Ordinary Shares in the Share Purchase.

26. Stock Certificate Legend

A copy of this Agreement shall be filed with the Secretary of the Purchaser and kept with the records of the Purchaser. During the period of two years after the Closing Date or, if shorter, the period during which this Agreement remains in force, the parties shall use all reasonable endeavours to cause each certificate representing Shares to bear a legend substantially in the following form:

THE SALE, ASSIGNMENT, HYPOTHECATION, PLEDGE, ENCUMBRANCE OR OTHER DISPOSITION (EACH A "TRANSFER") OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THE SHAREHOLDERS' AGREEMENT, DATED FEBRUARY 21, 1996 (THE "SHAREHOLDERS' AGREEMENT"), BETWEEN CARNIVAL CORPORATION (THE "COMPANY") AND DAVID CROSSLAND[, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE. THE COMPANY WILL NOT REGISTER THE TRANSFER OF SUCH SECURITIES ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL THE TRANSFER HAS BEEN MADE IN COMPLIANCE WITH THE TERMS OF THE SHAREHOLDERS' AGREEMENT.

In addition, the parties shall use all reasonable endeavours to procure that such legend is removed from relevant stock and share certificates upon the expiry of such two year period (or if sooner, on the date on which this Agreement terminates).

27. Miscellaneous.

27.1 Notices

A notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by pre-paid first class post recorded delivery (or recorded delivery air mail if overseas) or by fax to the party due to receive the notice or communication sent during normal business hours in the jurisdiction of the sender (with the sender receiving confirmation of receipt) at its address set out below (or fax number specified below) or another address or fax number specified by that party by written notice to the other. A notice or other communication is deemed given when actually received (as evidenced by the recorded delivery or the confirmation of receipt of fax).

The addresses and fax numbers of the parties for the purposes of this Section 7.1 are as follows:

- (a) if to the Purchaser:

Carnival Corporation
3655 NW 87 Avenue
Miami, Florida USA 33010

Attention: Howard S. Frank

Telecopy: (305) 471-4700

with a copy to:

Clifford Chance
200 Aldersgate Street
London EC1A 4JJ
United Kingdom

Attention: Simon Burgess

Telecopy: (+44)-171-600-5555

and

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064

Attention: James Dubin, Esq.

Telecopy: 001-212-757-3990

(b) if to David Crossland:

David Crossland
Tower Hamlet
Princess Tower Road
Hougue Bie
St Saviours
Jersey JE2 7UA

Telecopy: 01534 854311

with a copy to:

Mourant du Feu & Jeune
PO Box 87
22 Grenville Street
St Helier
Jersey JE4 8PX

Attention: Conrad Coutanche

Telecopy: 01534 609333

27.2 Amendment and Waiver

- (i) No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the parties hereto at law, in equity or otherwise.
- (ii) Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by any party from the terms of any provision of this Agreement, except as otherwise expressly provided for herein, shall be effective (a) only if it is made or given in writing and signed by the Purchaser and the Existing Shareholder (and by any Permitted Transferees) and (b) only in the specific instance and for the specific purpose for which made or given.

27.3 Specific Performance

The parties hereto intend that each of the parties have the right to seek damages or specific performance in the event that the other party hereto fails to perform such party's obligations hereunder. Therefore, if any party shall institute any action or

proceeding to enforce the provisions hereof, the party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

27.4 Headings

The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

27.5 Severability

If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

27.6 Entire Agreement

This Agreement, together with the exhibits hereto, is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

27.7 Term of Agreement

This Agreement shall terminate in the event that the obligations of the Existing Shareholder and Thomas Trickett under paragraphs 4.1 to 4.4 of the irrevocable undertakings of even date herewith given by them to the Purchaser are terminated pursuant to paragraph 4.5 thereof and this Agreement shall, provided that it shall not have terminated as aforesaid, become effective upon the Closing Date and shall be of no effect prior to that time. Notwithstanding the foregoing, if the Closing Date does not occur prior to May 30, 1996, this Agreement shall terminate. After the effectiveness of this Agreement, (i) this Agreement shall terminate if the Purchaser and its permitted transferees under the Subscription Agreement (the "Purchaser Transferees") own less than 13,333,333 of the Ordinary Shares acquired by the Purchaser in the Share Subscription, the Partial Offers and the Share Purchase (taking full account of any sub-division and/or consolidation of the ordinary share capital of the Company, or any issue by the Company by way of capitalisation of reserves, after the date of this Agreement) and (ii) Sections 2.1, 2.2, 2.3, 2.4 and 3 of this Agreement shall terminate if the Purchaser and the Purchaser Transferees own less than 26,666,666 of the Ordinary Shares acquired by the Purchaser in the Share Subscription, the Partial Offers and the Share Purchase (taking full account of any sub-division and/or consolidation of the ordinary share capital of the Company, or any issue by the Company by way of capitalisation of reserves, after the date of this Agreement).

27.8 Variations in Pronouns

All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require.

27.9 Governing Law

This Agreement shall be governed and construed in accordance with English law.

27.10 Jurisdiction and Venue.

- (i) The courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement (respectively, "Proceedings" and "Disputes") and, for these purposes, each party irrevocably submits to the exclusive jurisdiction of the courts of England.

(ii) Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to hear and decide any Proceedings and to settle any Disputes and agrees not to claim that the courts of England are not a convenient or appropriate forum.

(iii) Process by which any proceedings are begun in England may be served on the Purchaser by being personally delivered to Clifford Chance, 200 Aldersgate Street, London EC1A 4JJ marked for the attention of Simon G.F. Burgess. Process by which any proceedings are begun in England may be served on the Existing Shareholder by being personally delivered to Addleshaw Sons & Latham, Dennis House, Marsden Street, Manchester M2 1JD marked for the attention of Paul A. Lee. Nothing contained in this Section 7.10 affects the right to serve process in another matter permitted by law.

27.11 Further Assurances

Each of the parties shall execute such instruments and take such action as may be reasonably necessary to carry out the provisions hereof and the transactions contemplated hereby.

27.12 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs, legatees and legal representatives. Without the consent of each of the parties, this Agreement is not assignable except in connection with a transfer of Shares by the Existing Shareholder to a Permitted Transferee or by the Purchaser to any permitted assignee of the benefit of the Subscription Agreement.

27.13 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

CARNIVAL CORPORATION
By: /s/ Howard S. Frank
Name:
Title:

/s/ David S. Crossland
DAVID CROSSLAND

(1) CARNIVAL CORPORATION

(2) AIRTOURS PLC

SUBSCRIPTION AGREEMENT

Clifford Chance
200 Aldersgate Street
London EC1A 4JJ

Tel: (0171) 600 1000
Fax: (0171) 6000 5555
Ref: SGFB/C3976/24/CWB

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SCHEDULES

Schedule 1 - Conditions

Schedule 2 - Warranties

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Agreed Form Document - Press Release

THIS AGREEMENT is made the 21st day of February, 1996 between:-

1. CARNIVAL CORPORATION a corporation registered in Panama having its principal place of business at 3655 NW 87th Avenue, Miami, Florida, USA (" the Purchaser").
2. AIRTOURS PLC a limited liability company registered in England and Wales (Registered no 742748) and having its registered office at Parkway Three, Parkway Business Centre, 300 Princess Road, Manchester M14 7QU ("the Company").

WHEREAS

- (A) The Purchaser wishes to acquire 40 million Ordinary Shares in the capital of the Company through making a partial offer for up to 20 million Ordinary Shares and subscribing for 20 million new Ordinary Shares.
- (B) The purpose of this agreement is to regulate such transactions which will be made on the basis of and subject to the terms and conditions hereinafter set out.

NOW IT IS HEREBY AGREED as follows:

28. INTERPRETATION

28.1 In this Agreement:-

"the Act" means the Companies Act 1985;

"the Code" means The City Code on Takeovers and Mergers;

"Company Group" means the Company, its subsidiaries and subsidiary undertakings;

"Completion" means Completion of the obligations of the parties hereto in accordance with Clause 5;

"Completion Date" means the date on which Completion takes place;

"the Conditions" means the matters on which Completion is conditional and which are set out in Schedule 1 hereto;

"Directors" means the Board of Directors of the Company;

"Disclosure Information" means:

- (a) all information contained in the documents listed in the Index marked "A" and the Index marked "B", copies of which have been initialled by or on behalf of the Purchaser and the Company;
- (b) all information contained in the notes of meetings held between representatives of the Company (or its advisers) and representatives of the Purchaser (or its advisers) which notes have been initialled by or on behalf of the Purchaser and the Company and are contained in the bundle marked "C";
- (c) all information contained in copy documentation/files made available for inspection by the Purchaser and its advisers at the offices of the Company's auditors, Grant Thornton; and
- (d) all information supplied verbally to the Purchaser and its advisers by any partner or professional employee of Grant Thornton;

"Forms of Acceptance and Election" means the combined forms pursuant to which shareholders in the Company can accept the Ordinary Offer and the Preference Offer respectively and also elect to receive cash instead of new Common Stock in the Purchaser by way of consideration;

"Involuntary Transfer" has the meaning given to it in the Shareholders' Agreement;

"Listing Particulars" means the document which will be published by the Company in connection with the Subscription and comprising listing particulars in accordance with the Listing Rules;

"Listing Rules" means the rules made by the London Stock Exchange

pursuant to Section 142 of the Financial Services Act 1986;

"the London Stock Exchange" means London Stock Exchange Limited;

"the Offers" means the Ordinary Offer and the Preference Offer;

"the Offer Document" means the document making the Offers and incorporating the Listing Particulars;

"the Ordinary Offer" means the partial offer to be made by or on behalf of the Purchaser for up to 20,000,000 Ordinary Shares upon the terms and subject to the conditions set out or referred to in the Press Release;

"Ordinary Shares" means Ordinary Shares of 10p each in the Company;

"Ordinary Share Equivalents" means any security or obligation which is by its terms convertible into Ordinary Shares and any option, warrant or other subscription or purchase right with respect to Ordinary Shares (including, without limitation, the Preference Shares and the Airtours plc Share Option Scheme (1986) or the Airtours plc Savings Related Share Option Scheme);

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind;

"the Preference Offer" means the partial offer to be made by or on behalf of the Purchaser for up to 8,758,612 Preference Shares upon the terms and subject to the conditions set out in the Press Release;

"Preference Shares" means Convertible Cumulative Preference Shares of 20p each in the Company;

"Press Release" means the Press Release in the agreed form annexed hereto as Annex A giving details of the Offers and the Subscription;

"Purchaser Group" means the Purchaser, its subsidiaries and subsidiary undertakings;

"Shareholders' Agreement" means the shareholders' agreement dated the date hereof between the Purchaser and David Crossland;

"Shares" means all Ordinary Shares and Ordinary Share Equivalents held by the Purchaser, whether acquired pursuant to the Subscription, the Ordinary Offer or the Share Purchase or thereafter acquired (and including any other shares in the capital of the Company into which such Ordinary Shares may at any time be converted and also including any shares in the capital of the Company arising from the same by reason of any sub-division and/or consolidation of such Ordinary Shares or by reason of any issue of shares in the Company by way of capitalisation of reserves);

"the Share Purchase" means the acquisition of additional Ordinary Shares by the Purchaser and their sale by David Crossland and Thomas Trickett pursuant to paragraph 13 of the Undertakings;

"the Special Resolution" means the Resolution to be proposed to the shareholders of the Company to increase the authorised share capital of the Company, to grant the Directors authority pursuant to Section 80 of the Act and to authorise the Directors to make certain allotments (including the allotment of the Subscription Shares to the Purchaser) without complying with the pre-emption provisions set out in Section 89 of the Act;

"the Subscription" means the subscription by the Purchaser for the Subscription Shares pursuant to the terms hereof;

"the Subscription Shares" means the 20,000,000 new Ordinary Shares of 10p each in the Company to be subscribed by the Purchaser pursuant to the Subscription;

"Warranty" means a statement contained in Schedule 2 and

"Warranties" means all those statements;

"the Undertakings" means the irrevocable undertakings of even date herewith given by each of David Crossland and Thomas Trickett to the Purchaser in connection with the Offers and the Share Purchase;

"Wholly Owned Subsidiary" means, in relation to the Purchaser, any subsidiary of the Purchaser all of whose voting securities are owned directly or indirectly by the Purchaser and, in relation to the Company, any subsidiary of the Company all of whose voting securities are owned directly or indirectly by the Company;

28.2 In this Agreement, a reference to:-

28.2.1 a "subsidiary undertaking" or "parent undertaking" is to be construed in accordance with Section 258 of the Act and a "subsidiary" or "holding company" is to be construed in accordance with section 736 of the Act;

28.2.2 a document in the "agreed form" is a reference to a document in a form approved and for the purposes of identification signed by or on behalf of each party or in another form as may be agreed by or on behalf of each party;

28.2.3 a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time before the date of this Agreement and any subordinate legislation made under the statutory provision before the date of this Agreement;

28.2.4 a person includes a reference to a body corporate, association or partnership;

28.2.5 a clause or schedule, unless the context requires otherwise, is a reference to a clause of or a schedule to this Agreement.

28.3 The headings in this Agreement do not affect its interpretation.

29. THE OFFERS

Within 28 days of the date hereof (or by such later date as the Panel on Takeovers and Mergers may agree) the Purchaser will post the Offer Document (together with the Forms of Acceptance and Election) to the holders of Ordinary Shares and Preference Shares. The Offer Document shall be accompanied by a circular from the Company incorporating a Notice convening an Extraordinary General Meeting of the Company to be held on the first closing date of the Ordinary Offer and at which the Special Resolution will be proposed.

30. CONDITIONS

30.1 Completion is conditional on the Conditions being satisfied, or being waived as hereinafter permitted, on or before 30th May 1996 or such later date as may be agreed between the parties.

30.2 The Purchaser and the Company shall make all reasonable efforts to achieve satisfaction of each of the conditions as soon as reasonably possible and if at any time either of them becomes aware of a matter which might prevent a condition being satisfied it shall immediately inform the other.

30.3 At any time the Purchaser may waive either of Conditions 5 and 8 by notice to the Company and the Purchaser and the Company jointly may agree to waive either of Conditions 6 and 7. The Purchaser may at any time waive Condition 6 without the agreement of the Company provided that it has been established to the reasonable satisfaction of the Company that neither the lack of any such authorisation, order, grant, recognition, confirmation, consent, clearance, licence, permission, exemption or approval as are referred to in that Condition, nor any other matter arising in respect of or as a result of the Offers and/or the Share Purchase and/or the Subscription, will entitle any government, governmental, quasi-governmental, supranational, statutory or regulatory body, trade agency, professional body, association, institution, environmental body or court to make any order or take any other action requiring any member of the Company Group to take, or refrain from taking, any action, which action or refraining from action would in the Company's

opinion have an adverse effect on any member of the Company Group. If all the Conditions have not either been satisfied or so waived on or before 30 May 1996, or such later date as may be agreed between the parties, then this Agreement shall automatically cease and determine (save for the provisions of Clause 13) and neither party hereto shall have any claim against the other save in respect of any liability then accrued due.

31. COMPANY/PURCHASER UNDERTAKINGS

31.1 The Company hereby undertakes to the Purchaser that:-

31.1.1 to the extent applicable, the Company and the Purchaser shall forthwith make all filings and furnish all information required with respect to the transactions contemplated by this Agreement by the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and any other foreign antitrust laws and shall use all reasonable endeavours to obtain the early termination of the waiting period under the HSR Act and all other required approvals under foreign antitrust laws provided however that no member of the Company Group or of the Purchaser Group shall be required to agree to dispose of or hold separate any portion of its business or assets;

31.1.2 prior to Completion neither the Company nor any of its subsidiaries nor subject to their fiduciary duties any of the respective officers and directors of the Company or any of its subsidiaries shall, and the Company shall use all reasonable endeavours to cause its employees, agents and representatives (including, without limitation, any investment banker, attorney or accountant retained by the Company or any of its subsidiaries) not save as required by law, or the rules of the London Stock Exchange or the Code to, (i) initiate, solicit or encourage directly or indirectly, any enquiries or the making of any proposal or offer (including, without limitation, any proposal or offer to shareholders of the Company) with respect to a merger, consolidation or similar transaction involving, or any purchase of any shares of, the Company or any purchase of any of the assets of the Company or any of its subsidiaries having a value in excess of L25 million (or the shares of entities holding the same) (any such proposal or offer being hereinafter referred to as an "Acquisition Proposal", except that "Acquisition Proposal" shall not include any transaction between the Purchaser and the Company or the Company and a Wholly Owned Subsidiary of the Company or among the Company's Wholly Owned Subsidiaries) or (ii) engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person relating to an Acquisition Proposal, or (iii) otherwise facilitate directly or indirectly any effort or attempt to make or implement an Acquisition Proposal. The Company will immediately cease and cause to be terminated any existing discussions or negotiations with any parties conducted to-date with respect to any Acquisition Proposal. The Company will take the necessary steps to inform its directors of the obligations undertaken in this Clause 4.1.2. The Company will promptly notify the Purchaser if any such enquiries or proposals are received by it or any such negotiations or discussions are sought to be initiated or continued. Nothing contained in this Agreement shall prohibit the Company, its subsidiaries and its respective officers and directors from (A) doing any of the foregoing with respect to asset sales or sales of securities in the ordinary course of business or (B) recommending its shareholders to vote in favour of the Special Resolution;

31.1.3 if the Company receives (i) a general offer made by a third party to acquire the whole of the issued ordinary share capital of the Company (other than Ordinary Shares already held by such third party or persons acting in concert with it) which is unanimously recommended by the Directors, on terms which represent (in the opinion of the Directors) an improvement on the value of the Ordinary Offer as at the date on which a firm intention to make such general offer is announced (a "Competing Offer") or (ii) an offer or approach which the Directors unanimously believe could be or may become a Competing

Offer or lead to the Person making such approach (or on whose behalf such approach is made) making a Competing Offer, the Company may engage in the activities described in Clause 4.1.2. The Company will promptly inform the Purchaser if any enquiries or proposals with respect to a Competing Offer (or any such offer or approach as described in (ii) above) are received by it, any such information is requested from it, or any such negotiations or discussions are sought to be initiated or continued;

31.1.4 the Company will provide Micky Arison and Howard S. Frank and their professional advisers with all such information concerning the Company Group as they shall reasonably require for the purpose of satisfying themselves as to the accuracy and completeness of the Listing Particulars;

4.1.5 So long as the Purchaser (or any member of the Purchaser Group, which is also a permitted assignee pursuant to clause 14 hereof) owns at least 10% of the ordinary share capital of the Company in issue from time to time (or, in the case of clause 4.1.5.2 only, at least 5% of such ordinary share capital during any tax year) the Company hereby agrees that it shall provide the Purchaser, as soon as reasonably practicable following receipt of a request from the Purchaser, but in any event no later than the date reasonably requested by the Purchaser, with such financial statements or financial, tax and other information as are necessary in order to enable the Purchaser to prepare and/or file:

4.1.5.1 any annual reports, quarterly reports, registration statements or other documents that it is required to file with the Securities and Exchange Commission ("the SEC") or any other regulator in the United States, its being agreed by the Company that nothing in this clause 4.1.5 shall prevent the Purchaser entering into or proposing to enter into any agreement, transaction or arrangement on a purely voluntary basis and that if any such agreement, transaction or arrangement into which the Purchaser enters or proposes to enter gives rise to a requirement on the part of the Purchaser to file a document with the SEC or any other regulator in the United States, the provisions of this clause shall apply notwithstanding the fact that there was no requirement for the Purchaser to enter into or propose to enter into such agreement, transaction or arrangement;

4.1.5.2 any tax returns or other forms required to be filed (including any required to be filed pursuant to any election for tax purposes made under any law or regulation) with any tax authority having jurisdiction over any member of the Purchaser Group or any of the principal stockholders of the Purchaser or any Purchaser Director.

4.1.6 The Company acknowledges and agrees that after the Closing Date and so long as the Purchaser (or any member of the Purchaser Group which is also a permitted assignee pursuant to clause 14 hereof), owns at least 10% of the ordinary share capital of the Company:

4.1.6.1 all financial statements or information provided by it under Clause 4.1.5 shall be conformed, in such manner as shall be advised to the Company by the Purchaser from time to time (or in the absence of any such advice from the Purchaser in such manner as shall be determined by the Company or advised to the Company by its auditors) so as to be in accordance with United States generally accepted accounting principles (any disbursement cost incurred by the Company, including to its auditors, in so conforming such financial statements or information to be borne by the Purchaser) it being agreed between the parties that if the Purchaser disagrees with the interpretation of the requirements of US GAAP advised to the Company by its auditors, the Company shall in respect of future financial statements or information carry out such conforming in accordance with the interpretation of the requirements of US GAAP advised to the Company by the Purchaser (and shall, to the extent necessary, reconfirm any financial statements or information previously supplied for inclusion in any filing which the Purchaser

is to make with the SEC), but the Company shall not be deemed to have breached the provisions of this clause 4.1.6 in respect of the financial statements or information supplied prior to receipt of such advice from the Purchaser;

4.1.6.2 if required by law or regulation applicable to the Purchaser or if requested by the SEC or any other regulator having jurisdiction over the Purchaser, the Company shall use its best endeavours to procure that there is provided an audit report from its auditors and a consent from its auditors to the SEC or such other regulator, any costs of such auditors in relation thereto to be borne by the Purchaser;

4.1.6.3 if required by the underwriter or underwriters in a public offering of the Purchaser's securities, the Company shall use its best endeavours to cause its auditors to provide to such underwriter or underwriters and to the Purchaser a customary "comfort letter", any costs of such auditors in relation thereto to be borne by the Purchaser; and

4.1.6.4 if required by the Purchaser, the Company shall use all reasonable endeavours to procure that the independent accountants of the Purchaser are given access, upon reasonable prior notice, to inspect the audit working papers of the Company's auditors

4.1.7 If the Company's auditors fail to provide the Purchaser's independent accountants with access to its working papers or fail to provide any of the materials described in sub-clauses 4.1.6.2 and 4.1.6.3 above, then the Company agrees to provide to the Purchaser's independent accountants access to its records (financial and otherwise) so that the Purchaser's independent accountants can review or audit any financial statements or information provided by the Company under clauses 4.1.5 and 4.1.6 or provide any of the materials described in sub-clauses 4.1.6.2 and 4.1.6.3 above. If the Company appoints new auditors, it agrees that it shall inform such auditors of the provisions of these clauses 4.1.5 to 4.1.7 and seek to secure their confirmation that, as of the date of their appointment and based upon then current law and regulations, they would be able to comply with any request of the Purchaser under sub-clauses 4.1.6.2 to 4.1.6.4.

31.2 The Purchaser hereby undertakes to the Company that, as soon as reasonably practicable, it shall provide such information as the Company shall reasonably request for inclusion in the Listing Particulars or in any other document or announcement required by the Listing Rules, the Act or the Financial Services Act 1986 to be published or made by the Company in connection with the Offers and/or the Subscription.

32. COMPLETION

32.1 Completion shall take place at the registered office of the Company or at such other address as may be agreed between the parties contemporaneously with the satisfaction (or waiver) of the last of the Conditions when:-

32.1.1 the Purchaser will subscribe for the Subscription Shares in cash at a price of 500p per share upon and subject to the terms of the Company's Memorandum and Articles of Association (and in the event of any failure by the Purchaser so to do the Company is hereby authorised to treat this Agreement as an application by the Purchaser to subscribe for the Subscription Shares in accordance with the terms hereof at 500p in cash per share payable in full on allotment) and by electronic transfer to the bank account nominated by the Company pay the aggregate subscription price therefor amounting to L100,000,000;

32.1.2 the Directors will allot and issue the Subscription Shares, register the Purchaser as the holder thereof in the Company's register of members and deliver a share certificate for the Subscription Shares to the Purchaser;

32.1.3 Mr Micky Arison and Mr Howard S. Frank will be appointed Directors of the Company;

32.1.4 the Purchaser shall deliver to the Company the notice

required pursuant to sections 198 to 203 of the Act in respect of its interest in the Company and shall procure the delivery to the Company by each of the individuals referred to in clause 5.1.3 of:

- 32.1.4.1 the notice (if any) required from each of them pursuant to sections 324 to 328 of the Act in respect of their respective interests in the Company; and
- 32.1.4.2 Form 288, duly completed and signed by such individual so as to indicate his consent to his appointment as a director of the Company.

32.2 The parties shall use all reasonable endeavours to procure that the last Condition (save for condition 3) is satisfied (or waived) on a closing date of the Ordinary Offer and that condition 3 is satisfied on the next following business day.

32.3 In the event that the Purchaser shall fail to pay the subscription monies referred to in clause 5.1 in full on the date fixed for the Completion in accordance with Clause 5.1, the Company shall have the right by notice to the Purchaser served on the Completion Date to rescind this Agreement whereupon each party's rights and obligations hereunder shall automatically cease and determine (other than in respect of Clause 13) and (save aforesaid) neither party hereto shall have any claim against the other save in respect of any liability then accrued due.

33. SHARE RIGHTS/DIRECTOR RIGHTS

33.1 The Subscription Shares shall be issued free from all liens, charges and encumbrances and as from their date of allotment and issue they shall rank pari passu in all respects with the Ordinary Shares then in issue.

33.2 The Purchaser shall have the right to nominate two Directors for appointment to the Board of Directors of the Company for so long as it owns Ordinary Shares representing at least 20% of the ordinary share capital in issue from time to time and the Purchaser owns Ordinary Shares which (taking full account of any subdivision or consolidation of the ordinary share capital of the Company, or any issue by the Company by way of capitalisation of reserves after the date of this Agreement) represent at least 75% of the aggregate number of Ordinary Shares acquired by the Purchaser pursuant to the Ordinary Offer, the Subscription and the Share Purchase. Subject to the other provisions of this Clause 6.2, the Purchaser's rights under the preceding sentence shall continue if the Purchaser owns Ordinary Shares representing less than 20% of the ordinary share capital of the Company in issue from time to time if such percentage falls below 20% solely by reason of the Purchaser not participating in any issue of Ordinary Shares by the Company which is not made available to the Purchaser (a "Restricted Share Offer"). The rights of the Purchaser under the first sentence of this Clause 6.2 shall continue to apply, but in respect of only one Director if either (a) the Purchaser's percentage ownership of the ordinary share capital of the Company falls below 20% other than solely by reason of the Purchaser not participating in a Restricted Share Offer or (b) if such percentage ownership falls below 15% for any reason. Once the Purchaser's percentage ownership in the ordinary share capital of the Company has fallen below 15%, other than solely by reason of the Purchaser not participating in a Restricted Share Offer, or below 10% for any reason, the rights of the Purchaser under this Clause 6.2 shall be extinguished.

33.3 The Company shall each take all necessary steps to appoint and (save as provided below) maintain on the Board of the Company the individual or individuals which the Purchaser is entitled to nominate for appointment. The directors so nominated as at Completion shall be the two individuals referred to in clause 5.1.3. The identity of any alternative individuals to be so nominated shall be subject to the approval of the Company which shall not be unreasonably withheld or delayed. The Company shall not be obliged hereunder to maintain (or seek to maintain) on the Board of the Company (or to seek to procure reinstatement on such Board of) an individual whose office as a director of the Company is vacated pursuant to the Articles of Association of

the Company or in respect of whom a resolution of the Company in General Meeting removing him from such office is passed or a resolution of the Company in General Meeting in relation to his appointment or re-appointment as a director fails to be passed. The Purchaser shall procure, if there is any reduction or extinguishing of its rights pursuant to Clause 6.2, that one or both (as the case may be) of its nominated individuals resigns forthwith from the Board of Directors of the Company and shall also procure that if it nominates an alternative individual for appointment to such Board, the nominated individual which such individual is to replace resigns forthwith from such Board. Any resignation which the Purchaser is to procure pursuant to this Clause 6.3 shall be in writing, executed as a deed and shall contain an irrevocable and unconditional waiver from the resigning individual of any claim which he has, or may have, against the Company solely in connection with such resignation.

33.4 For so long as the Company is not a subsidiary of another Person, the Purchaser shall not exercise any voting rights it may have in the Company in relation to or on any resolution which refers or relates to action taken or proposed to be taken by any of the Company's subsidiaries which holds an air carrier operating licence (as defined in Article 2(c) of Council Regulation No. 2407/92/EC) issued by a Member State of the European Community ("Relevant Subsidiary") except those relating to:

- (a) the amount and/or timing of any dividend or other distribution to be declared by the Relevant Subsidiary;
- (b) alterations or amendments to the Relevant Subsidiary's articles of association;
- (c) increases or reductions in the Relevant Subsidiary's issued share capital;
- (d) any liquidation or winding-up of the Relevant Subsidiary;
- (e) any acquisition or disposal by the Relevant Subsidiary of any shares or other securities in another Person, other than in the ordinary course of the Relevant Subsidiary's business;
- (f) any amalgamation of the Relevant Subsidiary with another Person;
- (g) the incurring by the Relevant Subsidiary of indebtedness of a nominal amount exceeding in any one case US\$ 100 million (and for the avoidance of doubt the incurring of indebtedness on or in relation to separate transactions shall not for this purpose be aggregated).

33.5 In connection with any change to the capital structure of a Relevant Subsidiary with a view to establishing contingency arrangements to meet the circumstances of majority ownership of a Relevant Subsidiary ceasing to be vested in EU nationals (as referred to in the letter of 2 February, 1996 from the Civil Aviation Authority addressed to the Company) the Company shall, so far as reasonably practicable:

- (a) supply drafts of the documentation proposed to effect such change, together with details of the proposed shareholders or investors in such changed capital structure, to the Purchaser and give due consideration to any reasonable comments of the Purchaser in relation thereto made during a reasonable period after the supply of such drafts; and
- (b) notify the Purchaser in advance of any intention on the part of the Company to implement such change and give due consideration to any reasonable comments of the Purchaser in relation thereto made during a reasonable period after such notification.

Provided that nothing in this Clause 6.5 shall prevent the Company implementing any such change if it considers that such is in the best interests of the Company Group.

34. WARRANTIES

34.1 At the date of this Agreement, the Company hereby warrants to the Purchaser in the terms of Schedule 2. For the avoidance of doubt the Warranties shall not be or be deemed to be

repeated at any time after the date of this Agreement.

34.2 The Company acknowledges that the Purchaser is entering into this Agreement in reliance on each Warranty which has also been given as a representation and with the intention of inducing the Purchaser to enter into this Agreement.

34.3 If, on or before the date of Completion, the Purchaser considers that the Company is in breach of a Warranty and the Purchaser has a bona fide belief that, were this Agreement to proceed to Completion, such breach would give rise to a claim by the Purchaser for damages exceeding L15 million, and the Purchaser delivers to the Company an opinion of Queen's Counsel to the effect that, were this Agreement to proceed to Completion, such breach would give rise to a claim by the Purchaser which would, on the balance of probabilities, result in an award of damages in favour of the Purchaser in a sum exceeding L15 million ("the Opinion"), the Purchaser may by notice (given at any time after the delivery of the Opinion, but before Completion) to the Company elect to terminate this Agreement whereupon each parties rights and obligations under this Clause 7 and all other clauses of this agreement (other than clause 13) including accrued rights and obligations at the date of termination, cease and determine immediately such that, for the avoidance of doubt, the Purchaser shall have no claim against the Company in respect of the breach of Warranty giving rise to such termination. If the Purchaser becomes aware prior to Completion of any breach of Warranty which would entitle it to terminate this Agreement pursuant to this Clause 7.3, and the Purchaser proceeds to Completion, the Company shall have no liability to the Purchaser in respect of such breach.

34.4 The Warranties shall not in any respect be extinguished or affected by Completion.

34.5 The Purchaser hereby confirms to the Company that having read the Disclosure Information or been made aware verbally by a partner or professional employee of Grant Thornton in the case of Disclosure Information supplied by it the Purchaser has no actual knowledge, at the date hereof, of any fact or circumstance which would entitle it to make a claim for breach of the Warranties.

34.6 The Purchaser hereby acknowledges that it does not enter into this Agreement in reliance on any warranties, representations, undertakings, covenants or indemnities (express or implied) howsoever or to whomsoever made except those arising pursuant to the Undertakings, the Shareholders Agreement or the Warranties.

34.7 The provisions of Schedule 3 shall apply as if set out herein.

35. RESTRICTIONS ON TRANSFER OF SHARES

35.1 Prior to the second anniversary of the Completion Date, the Purchaser shall not sell, give, assign, hypothecate, pledge, charge, encumber, grant a lien or security interest in or otherwise transfer (whether by operation of law or otherwise) any Shares or any right, title or interest therein or thereto (including, without limitation, any beneficial interests or voting rights in the Shares) (each a "transfer"), except (i) in accordance with the provisions of this Agreement or (ii) with the consent of the Company. Any attempt to transfer any Shares or any rights thereunder in violation of this Clause shall be null and void ab initio.

35.2 Notwithstanding anything to the contrary contained in this Agreement, the Purchaser may transfer any or all of its Shares to any of its Wholly Owned Subsidiaries or any Person who acquires all or substantially all of the assets of the Purchaser (any Person to whom the Purchaser may so transfer Shares being referred to hereinafter as a "Permitted Transferees") provided that if any Permitted Transferee ceases to be a Wholly Owned Subsidiary the Purchaser shall forthwith procure the re-transfer to the Purchaser or another Permitted Transferee of the Purchaser of all the Shares then held by the Permitted Transferee which ceases to be a Wholly Owned Subsidiary.

35.3 If the Purchaser wishes to transfer Shares under Clause 8.2,

it shall give notice to the Company of its intention to make such transfer not less than seven (7) days prior to effecting such transfer, which notice shall state the name and address of each Permitted Transferee to whom such transfer is proposed and the number and class of Shares proposed to be transferred to such Permitted Transferee. For the avoidance of doubt, the Ordinary Shares acquired by the Purchaser pursuant to the Subscription, the Offers and the Share Purchase shall not be transferred (or agreed to be transferred) to any Permitted Transferee within 7 days following the date upon which such Shares are registered in the name of the Purchaser.

35.4 No transfer may be made pursuant to Clause 8.2 unless the Permitted Transferee has agreed in writing in respect of the Shares so transferred to be bound by the terms and conditions of this Agreement. With respect to any Shares transferred to a Permitted Transferee, the Permitted Transferee shall be substituted for, and enjoy the same rights and be subject to the same obligations in relation to the relevant Shares, as its predecessor hereunder.

35.5 If, at any time on or after the second anniversary of the Completion Date (or at any time prior to that anniversary but after the occurrence of an event specified in Clause 10(b)), the Purchaser wishes to transfer or otherwise dispose of any Shares (other than to a Permitted Transferee in accordance with Clause 8.2), the Purchaser shall first notify the Company in writing of such intention and shall not enter into (or agree to enter into) such transfer or disposition until at least 15 days after the giving of such notice. During such 15 day period, the Company may arrange for a Person or Persons to make an offer to purchase such Shares and the Purchaser and the Company agree to discuss such offer. Under no circumstances shall the Purchaser be obligated to sell any of its Shares to such Person or Persons by virtue of this Clause 8.5.

35.6 Without complying with this Clause 8, the Purchaser may transfer any or all of its Shares pursuant to (a) a general offer, a tender offer or partial offer commenced by any Person which is unanimously recommended by the Directors, (b) a general offer made by any Person for the entire issued ordinary share capital of the Company (other than Ordinary Shares held by such Person or by Persons acting in concert with it) or (c) a merger, recapitalisation, reorganisation, scheme of arrangement, consolidation or similar transaction approved by the holders of Ordinary Shares.

36. STANDSTILL PROVISIONS

36.1 The Purchaser hereby undertakes to the Company that during the Standstill Period (as defined below) it will not, directly or indirectly, unless in any such case specifically requested in advance to do so by the Directors or required to do so by the Panel on Takeovers and Mergers, acquire any Ordinary Shares or Ordinary Share Equivalents or convert any Preference Shares such that the Purchaser (and any Person or Persons acting in concert, within the meaning of the Code, with the Purchaser) holds (or together hold) or exercises (or together exercise) the voting rights attached to more than 29.9% of the issued Ordinary Shares, provided that the Purchaser shall not be in breach of this Clause 9.1 by virtue of the combined holding of the Purchaser and David Crossland exceeding 29.9% of the issued Ordinary Shares in circumstances where the Purchaser neither holds, nor exercises the voting rights attached to more than 29.9% of the issued Ordinary Shares.

36.2 Nothing in this Clause 9, shall preclude the Purchaser from acquiring any Ordinary Shares as a result of any subdivision and/or consolidation of the ordinary share capital of the Company or as a result of any issue of Ordinary Shares by way of capitalisation of reserves, (other than in circumstances where such Ordinary Shares are allotted in lieu of a cash dividend) or from acquiring any Preference Shares.

36.3 As used herein, the term "Standstill Period" shall mean the period from the Completion Date until the earlier to occur of:

(i) the first anniversary of the Completion Date; and

(ii) without encouragement by or the participation of the Purchaser or any member of the Purchaser Group (a) the acquisition by any Person or Persons (other than the Purchaser or any member of the Purchaser Group) of, or the making of any general offer, tender offer or partial offer by any Person or Persons (other than the Purchaser or any member of the Purchaser Group) for, or the public announcement of a firm intention on the part of any Person or Persons (other than the Purchaser or any member of the Purchaser Group) which intention is not or has ceased to be subject to the satisfaction of any conditions to acquire (by any means), Ordinary Shares which, if added to the Ordinary Shares (if any) already owned by such Person or Persons would represent thirty percent (30%) or more of the total number of the outstanding Ordinary Shares in issue at the relevant time, (b) the receipt by any such Person or Persons of the Company's agreement or consent to make such an acquisition or (c) the Company publicly announcing its intent to enter into or its entering into an agreement to (i) merge, consolidate or otherwise combine with another Person or (ii) to sell all or substantially all of the assets or undertaking of the Company.

36.4 The Company undertakes to give the Purchaser at least five days prior written notice of any proposed issue or issues of equity securities (or securities convertible into equity securities or the conversion of such securities into equity securities) with an aggregate nominal value which will exceed (or which, on conversion would exceed) 1% of the aggregate nominal value of the ordinary share capital of the Company in issue on the date of such notification, the Purchaser hereby acknowledging that such notification need not be in writing if the proposed issue or issues is/are discussed at a meeting of the Directors at which either or both of the Directors nominated by the Purchaser pursuant to Clause 6 are present.

36.5 The Company undertakes to the Purchaser that, at any time when the Purchaser has the right pursuant to Clause 6.2 to nominate for appointment at least one director of the Company, it will not without the prior written consent of the Purchaser, propose any resolution (other than the Special Resolution) at any shareholders' meeting to disapply the pre-emption provisions set out in section 89 of the Act other than any such disapplication ("a Permitted Disapplication") which relates only to the period until the expiry of the next following Annual General Meeting of the Company (or, if sooner, the expiry of 15 months after the date of passing of such special resolution) and is limited to the allotment of equity securities in connection with a rights issue (as defined in the Notice of the 1996 Annual General Meeting of the Company) and/or the allotment (otherwise than in connection with a rights issue) of equity securities up to an aggregate nominal amount which does not exceed 5% of the aggregate nominal amount of the issued ordinary share capital of the Company on the date such special resolution is passed.

37. TERMINATION OF RESTRICTIONS

Notwithstanding any other provision in this Agreement, (a) the restrictions applicable to the Purchaser in Clauses 8.1, 8.5 and 9 shall terminate on the earliest to occur of (i) the failure to elect any Directors designated by the Purchaser as a result of a breach of Clause 6.3 of this Agreement by the Company or (ii) the breach by David Crossland of the Shareholders' Agreement or (iii) an order being made or resolution passed, or a petition being presented (which is not discharged dismissed or withdrawn within 30 days after its presentation and in respect of which the Company fails to deliver to the Purchaser within such 30 day period an opinion of Queens Counsel to the effect that the same is frivolous or vexatious or represents an abuse of process), for the winding up of the Company or the appointment of a provisional liquidator to the Company or for an administration order in respect of the Company, or a receiver being appointed of the whole or part of the Company's business or assets or a voluntary arrangement being proposed under section 1 of the Insolvency Act 1986 or section 425 of the Act in respect of the Company, and (b) the restrictions applicable to the Purchaser in Clauses 8.1 and 9 shall terminate on the earlier to occur of (i) David Crossland ceasing to be

"Chief Executive" or "Executive Chairman" of the Company or (ii) one or more Involuntary Transfers occurring in which more than 1% of the issued Ordinary Shares are transferred.

38. SECURITIES PROVISIONS

38.1 All of the provisions of Clauses 8, 9, 10 and 11 of this Agreement shall apply to all of the Shares now owned or which may be issued or transferred hereafter to the Purchaser whether in consequence of the Subscription, the Partial Offers or the Share Purchase or in consequence of any additional issuance, rights offering, purchase, exchange or reclassification of any of the Shares (including without limitation, upon the exercise of any option or warrant), corporate reorganization, or any other form of recapitalisation, consolidation, merger, share split or share dividend, or which are acquired by the Purchaser in any other manner.

38.2 A copy of this Agreement shall be filed with the secretary of the Company and kept with the records of the Company. Each certificate representing Shares now held or hereafter acquired by the Purchaser shall, for so long as this Agreement is effective, bear a legend substantially in the following form:

THE SALE, ASSIGNMENT, HYPOTHECATION, PLEDGE, ENCUMBRANCE OR OTHER DISPOSITION (EACH A "TRANSFER") OF ANY OF THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THE SUBSCRIPTION AGREEMENT, DATED FEBRUARY 21, 1996 (THE "SUBSCRIPTION AGREEMENT"), AMONG CARNIVAL CORPORATION AND AIRTOURS PLC (THE "COMPANY"), A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S REGISTERED OFFICE.

39. ANNOUNCEMENTS

39.1 Subject to Clause 12.2, neither party may, before or after Completion, make or send a public announcement, communication or circular concerning the transactions referred to in this Agreement unless it has first obtained the written consent of the other parties, which may not be unreasonably withheld or delayed.

39.2 Clause 12.1 does not apply to:

39.2.1 a public announcement, communication or circular required by law or a regulation of a stock exchange, if the party required to make or send it has, if practicable, first consulted with and given due consideration to the reasonable requirements of the other party; or

39.2.2 a public announcement communication or circular which does no more than repeat information previously published by either of the parties without contravention of clause 12.1.

40. CONFIDENTIAL INFORMATION

40.1 Before and after Completion the Purchaser and the Company shall:

40.1.1 not use or disclose to a person Confidential Information regarding the other which it has or acquires; and

40.1.2 make every effort to prevent the use or disclosure of Confidential Information belonging to the other.

40.2 The Purchaser and the Company shall each ensure that their respective subsidiaries and subsidiary undertakings comply with Clause 13.1.

40.3 Clause 13.1 does not apply to:

40.3.1 disclosure of Confidential Information to a director, officer or employee of the Purchaser or the Company whose function requires him to have the Confidential Information but only on terms that clause 13.1 applies to use (other than solely in the performance of that function which shall not operate to the detriment of the party to which the Confidential Information relates) or disclosure by the Director, Officer or employee and that the party making such disclosure shall be responsible to the other for any failure by such director, officer or employee to comply with clause 13.1;

- 40.3.2 disclosure of Confidential Information required to be disclosed by law or the London Stock Exchange, the New York Stock Exchange, Inc. or any other Regulatory Authority;
- 40.3.3 disclosure of Confidential Information to an adviser for the purpose of advising the Purchaser or the Company but only on terms that Clause 13.1 applies to use or disclosure by the adviser and that the party making such disclosure shall be responsible to the other party for any failure by such adviser to comply with clause 13.1;
- 40.3.4 Confidential Information in relation to one party which becomes publicly known except by a breach by the other party of Clause 13.1 or 13.2.

40.4 For the purpose of this clause Confidential Information means all information not publicly known used in or otherwise relating to the business, customers or financial or other affairs, of either the Purchaser or the Company, including, without limitation, information relating to:-

- (a) the marketing of goods or services including, without limitation, customer names and lists and other details of customers, sales targets, sales statistics, market share statistics, prices, market research reports and surveys, and advertising or other promotional materials; or
- (b) future projects, business development or planning, commercial relationships and negotiations.

40.5 Without prejudice to any other rights or remedies that either party may have, each party acknowledges and agrees that:

- (a) the other party would be irreparably harmed by a breach of any of the provisions of this clause 13;
- (b) damages would not be an adequate remedy for any such breach;
- (c) the other party shall be entitled to the remedies of injunction, specific performance and other equitable relief (and corresponding remedies in jurisdictions outside the United Kingdom) for any threatened or actual breach of the provisions of this clause 13;
- (d) no proof of special damages shall be necessary for the enforcement of this clause 13; and
- (e) each of the obligations under this clause 13 is severable and distinct and to the extent that any particular provision is held to be unenforceable all the remaining provisions shall continue to apply.

40.6 Forthwith upon this Agreement becoming unconditional the Confidentiality Agreement dated 10 January 1996 between the Company and the Purchaser shall automatically cease and determine.

41. ASSIGNMENT

Without the consent of the other, neither the Company nor the Purchaser may assign or transfer or purport to assign or transfer a right or obligation under this Agreement other than with respect to the Purchaser to any Wholly Owned Subsidiary or to any person who acquires all or substantially all of the assets of the Purchaser on the basis that any such assignee which in a Wholly Owned Subsidiary will re-assign the right or obligation to the Purchaser or another Permitted Transferee on ceasing to be a Wholly Owned Subsidiary.

42. NON COMPETE

42.1 The Purchaser hereby covenants to the Company that, during the Relevant Period, neither the Purchaser nor any other member from time to time of the Purchaser's Group will, without the prior written consent of the Company (and other than through its interest in the Company), either on its own behalf or jointly with any other Person or on behalf of any other Person or as manager, consultant, principal or agent for any other Person, directly or indirectly carry on or be concerned or engaged in a "Competing Business", which for the purposes of this Clause 15 shall mean a business involved in

supplying (whether as a tour operator or retail travel agent or otherwise howsoever) within the United Kingdom, Sweden, Denmark, Norway or Finland Air Inclusive Tours in respect of land-based (or substantially land-based) holidays in the Restricted Area. For the avoidance of doubt, it is agreed that any business involved in operating a charter airline (or airline charter services) providing flights from the United Kingdom, Sweden, Denmark, Norway or Finland for holidaymakers travelling to land based (or substantially land-based) holidays in the Restricted Area shall constitute a Competing Business for the purposes of this Clause 15.1.

42.2 For the purposes of Clause 15.1:

"Relevant Period" shall mean the period from the date upon which this Agreement becomes unconditional in all respects until the date which is one year after the date upon which there ceases to be on the board of directors of the Company an individual who has been nominated by the Purchaser pursuant to Clause 6.

"Restricted Area" shall mean:

- (a) any country bordering on the Mediterranean Sea;
- (b) the Canary Islands; and
- (c) any resort or other location which is served by an airport which is within 7 hours (sub-sonic) flying time from any airport in the United Kingdom, Sweden, Denmark, Norway or Finland (provided that such resort or other location is not in North America or South America or within 1,000 miles of the coast of North America or South America).

"land based (or substantially land based) holidays" shall mean holidays where the holiday accommodation is either wholly or principally land based, but shall not, however, include any holiday where the provision of land based accommodation is related to a cruise.

42.3 Nothing in Clause 15.1 shall prevent the Purchaser and any other member of the Purchaser Group from:

- (a) owning (as an aggregate within the Purchaser Group) whether directly or indirectly not more than 5% of any class of the issued share capital or issued capital stock of any Person where such class of share capital or capital stock is dealt in on a recognised stock exchange or on an over the counter market or
- (b) acquiring:
 - (i) the undertaking of any Person where such undertaking includes a Competing Business; or
 - (ii) the shares of any Person ("Acquired Company") which itself or through any subsidiary or subsidiary undertaking carries on or is engaged in a Competing Business.

Provided that:

- (A) (i) the Competing Business is not the principal activity of such undertaking or Acquired Company at the date of acquisition and the turnover derived from such Competing Business is not (by reference to the latest available audited accounts of the relevant company or corporation) more than 25% of the turnover of the relevant undertaking or Acquired Company (Provided that the exception from Clause 15.1 comprised in this Clause 15.3(b) (A) shall not apply in the event the Purchaser or a member of the Purchaser Group acquires the undertaking of any Person or the shares of any Person and sells all or substantially all of the assets of such undertaking or Person (other than the Competing Business) within 180 days after making such acquisition; and
- (ii) if the Purchaser intends to sell all or any portion of the Competing Business the

Purchaser shall, prior to initiating or entertaining any discussions with any other party with regard to the sale of the whole or any significant part of such Competing Business notify the Company of such proposed disposal, and at the Company's request following such notification, negotiate in good faith with the Company in relation to a sale to the Company of the whole or (at the Company's election) some part of such Competing Business provided however that the Purchaser shall not be obliged to sell all or any portion of the Competing Business to the Company or any other Person by virtue of this Clause 15.3 (b); or

- (B) the turnover from such Competing Business is not (by reference to the latest available audited accounts of the relevant Person) more than 1% of the turnover of the relevant undertaking or Acquired Company and the relevant Person has not, since the expiry of the period to which such audited accounts relate, been party to any acquisition or reorganisation, or fundamental change to its business, such that at the time of the Purchaser's acquisition such percentage will have increased to more than 1%.

42.4 The Purchaser agrees with the Company that the provisions of Clause 15.1 are reasonable in the context of the Subscription and the Offers and necessary for the protection of the Company and the Purchaser agrees that, having regard to that fact, such provisions do not work harshly on it or on other members of the Purchaser Group.

42.5 While the restriction contained in Clause 15.1 is considered by the parties to be reasonable in all the circumstances, it is agreed that if such restriction shall be adjudged to go beyond what is reasonable in all the circumstances for the protection of the interests of the Company, but would be adjudged reasonable if part or parts of wording thereof were deleted or the period thereof were reduced or the range of businesses or areas dealt with thereby were reduced in scope, such restriction shall apply with such modifications as may be necessary to make it effective.

42.6 No provision by virtue of which this Agreement (or any agreement or arrangement of which this Agreement forms part) is subject to registration under the Restrictive Trade Practices Act 1976 shall take effect until the day after the date on which particulars required by that Act to be furnished to the Director General of Fair Trading in respect of this Agreement (or of the agreement or arrangement of which it forms part) have been furnished to him in accordance with that Act.

43. NOTICES

43.1 A notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by first class post pre-paid recorded delivery (or recorded delivery air mail if overseas) or by fax to the party due to receive the notice or communication sent during normal business hours in the jurisdiction of the sender (with the sender receiving confirmation of receipt) at its address (or fax number) set out in this Agreement or another address (or fax number) specified by that party by written notice to the other. A notice or other communication is deemed given when actually received as evidenced by the recorded delivery or the confirmation of receipt of fax.

43.2 The fax numbers for the purposes of this clause 16 are as follows:

- (i) the Purchaser:
Fax no: (305) 471-4700
- (ii) the Company:
Fax no: (0161) 232-6524

44. GOVERNING LAW AND JURISDICTION

44.1 This Agreement is governed by and shall be construed in

accordance with English law.

- 44.2 The Courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement (respectively, "Proceedings" and "Disputes") and, for these purposes, each party irrevocably submits to the exclusive jurisdiction of the courts of England.
- 44.3 Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to hear and decide any Proceedings and to settle any Disputes and agrees not to claim that the courts of England are not a convenient or appropriate forum.
- 44.4 Process by which any proceedings are begun in England may be served on the Purchaser by being personally delivered to Clifford Chance, 200 Aldersgate Street, London EC1 4JJ marked for the attention of Simon G.F. Burgess. Nothing contained in this Clause 17.4 affects the right to serve process in another manner permitted by law.

45. COUNTERPARTS

This Agreement may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same document.

AS WITNESS the hands of the parties hereto, or their duly authorised representatives, the day and year first above written.

SCHEDULE 1

THE CONDITIONS

1. The posting on or before 21 March 1996, or such later date as the Panel on Takeovers and Mergers may agree, of the Offer Document and Notice convening the Extraordinary General Meeting of the Company at which the Special Resolution is to be proposed.
2. The passing of the Special Resolution at an Extraordinary General Meeting of the Company or at any adjournment thereof;
3. The Subscription Shares being admitted to the Official List of the London Stock Exchange and such admission becoming effective in accordance with paragraph 7.1 of the Listing Rules.
4. The shares of Class A Common Stock issuable to the Company's shareholders pursuant to the Offers and the Share Purchase shall have been approved for listing on the New York Stock Exchange, Inc., subject to official notice of issuance.
5. It having been established in terms reasonably satisfactory to the Purchaser that the proposed acquisition of Ordinary Shares and Preference Shares in the Company pursuant to the Offers and the Share Purchase and the Subscription for the Subscription Shares by the Purchaser Group, or any matter arising therefrom, will not be referred to the Monopolies and Mergers Commission.
6. All necessary filings having been made in connection with the Offers and the Subscription and the Share Purchase and all authorisations, orders, grants, recognitions, confirmations, consents, clearances, licences, permissions, exemptions and approvals necessary for or in respect of the Offers, the Subscription or the proposed acquisition of any shares in the Company by the Purchaser Group being obtained on terms and in a form reasonably satisfactory to the Purchaser from appropriate governments, governmental, quasi-governmental, supranational, statutory or regulatory bodies, trade agencies, professional bodies, associations, institutions, environmental bodies and courts, and such authorisations, orders, grants, recognitions, confirmations, consents, clearances, licences, permissions, exemptions and approvals remaining in full force and effect at the time at which this Agreement becomes otherwise unconditional in all respects and no notice of any intention to revoke, suspend, restrict, modify or not renew any of the same having been received by the Purchaser or the Company and all necessary filings having been made and all waiting periods under any applicable legislation and regulations in any jurisdiction having expired or been terminated, in each case as may be necessary in connection with the Offers, the Subscription and the Share Purchase under the laws and regulations of any jurisdiction and all necessary statutory or regulatory obligations in any jurisdiction having been complied with.
7. Assurances satisfactory to both the Purchaser and the Company being received from the United Kingdom Civil Aviation Authority and the Danish Civil Aviation Authority that the certificates, licences, approvals, arrangements and consents including, without limitation, the Air Transport Licences and the Air Operator's Certificates of any member of the Company Group will not be adversely affected by the Offers the Subscription or the Share Purchase.
8. The Undertakings remaining in full force and effect and the obligations of Mr. D. Crossland and Mr. T. Trickett pursuant to paragraphs 4.1 to 4.4 thereof not having been terminated pursuant to paragraph 4.5 thereof.

SCHEDULE 2
THE WARRANTIES

1. OFFER DOCUMENT

1.1 Each statement of fact contained in the Offer Document or the Listing Particulars concerning or relating to the Company Group or its Directors will be true and accurate in all material respects and not misleading. Each forecast, estimate and expression of opinion, intention or expectation contained in the Offer Document or the Listing Particulars concerning the Company Group or its Directors will be honestly held, fairly based and be made after all reasonable enquiry and consideration.

1.2 No information will be omitted from the Offer Document or the Listing Particulars which might make a statement of fact, forecast, estimate or expression of opinion, intention or expectation in the Offer Document or the Listing Particulars concerning or relating to the Company Group or its Directors untrue or inaccurate in any material respect or misleading or which, in the context of the Subscription, the Offers and the Share Purchase, is material for disclosure in the Offer Document or the Listing Particulars.

2. ACCOUNTS

The audited consolidated balance sheet of the Company as at 30 September 1995 and the audited consolidated profit and loss account and cash flow statement of the Company for the financial year ended on such date (including the notes thereon) (such balance sheet, profit and loss account and cash flow statement and notes being the "Accounts") as set out in the Accounts give a true and fair view of the state of affairs of the Company and its subsidiaries at such date and the profits and cash flows of the Company and its subsidiaries for the financial year ended at that date and were prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention and in accordance with the accounting policies stated therein consistently applied with the audited consolidated accounts of the Company for the two preceding financial years and the Accounts comply with the applicable provisions of the Act.

3. MATERIAL ADVERSE CHANGE

Since 30 September 1995 until the date hereof, taking due account of the normal seasonal nature of the business of the Company and its subsidiaries there has been no material adverse change in the financial or trading position of the Company and its subsidiaries (taken as a whole).

SCHEDULE 3

PROVISIONS FOR THE PROTECTION OF THE COMPANY

1. Remedies

1.1 After Completion the Purchasers rights for breach of the Warranties shall only lie in damages and it shall not be entitled to rescind or repudiate this Agreement.

1.2 Where the matter or default giving rise to a breach of any Warranty is capable of remedy, the breach shall not entitle the Purchaser to damages or other compensation unless written notice of the breach is given to the Company and the matter or default is not remedied to the reasonable satisfaction of the Purchaser within 30 days after the date on which such notice is served. This right to remedy shall not apply prior to Completion.

2. Exclusion of Certain Claims

2.1 No claim shall be made by the Purchaser against the Company and the Company shall not have any liability to the Purchaser under the Warranties:

(a) in respect of any matter or thing fairly disclosed in the Disclosure Information;

(b) in respect of any matter appearing on the files of the Company maintained by the Registrar of Companies in England and Wales at Companies House as the same appeared on 12 February 1996;

(c) in respect of any liability to the extent that it occurs as a result of:

(i) any legislation not in force at the date hereof or any change of law or administrative practice having retrospective effect which comes into force after the date hereof; or

(ii) any increase hereafter in the rates of taxation in force at the date hereof;

(d) in respect of a liability which is contingent only unless and until such contingent liability becomes an actual liability and is due and payable, but this paragraph 2.1(d) shall not operate to avoid a claim made with reasonable particularity in respect of a contingent liability within the applicable time limits specified in paragraph 3 of this Schedule; or

(e) in respect of any matter referred to in the Press Release.

3. Time Limits

3.1 No claim shall be brought by the Purchaser for breach of any of the Warranties unless notice in writing of such claim (specifying in reasonable detail the event, matter or default which gives rise to the claim and, if practicable, an estimate of the amount claimed) has been given on or before the date falling 30 days after the date of publication of the report and accounts of the Company for its financial year ending 30 September 1996.

3.2 Any such claim that may have been made shall (if it has not been previously satisfied, settled or withdrawn) be deemed to have been waived or withdrawn on the expiration of 18 months after the date it was made unless court proceedings in respect of it shall then have been issued and served on the Company (except that if such claim is based on a contingent liability as described paragraph 2.1(d), then the Purchaser shall not be obligated to commence court proceedings within such 18 month period if such proceedings may not be commenced as a matter of English law) but shall be obligated to issue and serve on the Company Court proceedings in respect of such claim within 18 months after the relevant liability ceases to be a contingent liability.

4. Thresholds

4.1 The Company shall not have any liability in respect of any claim made under or in respect of any of the Warranties unless the amount of that claim when added to the aggregate

amount of all other claims under or in respect of the Warranties exceeds L15,000,000 (in which case the Purchaser shall have a claim for the full amount of such claims and not only the excess over L15,000,000).

4.2 The total liability of the Company in respect of all claims under or in respect of the Warranties shall not exceed L100,000,000.

4.3 If any relevant claim is made, or any relevant liability of the Company determined, in a currency other than pounds sterling, for the purposes of applying the provisions of paragraphs 4.1 and 4.2 of this Schedule such claim/liability shall be construed as a claim/liability for the equivalent amount in pounds sterling, calculated by reference to the rate of exchange prevailing on, for the purposes of paragraph 4.1 the date the claim is made or, for the purposes of paragraph 4.2 the date upon which the liability is discharged by the Company.

5. Allowance Against Claims

If the Company shall have made any payment in respect of a claim under the Warranties and any member of the Company Group shall thereafter receive a quantifiable monetary benefit, refund or payment from a third party which is directly referable to the Warranty claim, the Purchaser shall forthwith repay to the Company a sum (not in excess of the Warranty payment received by the Purchaser from the Company) corresponding to such net benefit, refund or payment from a third party as the case may be provided that any such repayment shall have no effect on any previous or future application of the provisions of Clause 4.1 of this Schedule 3.

Signed by)
for and on behalf of) /s/ Howard S. Frank
CARNIVAL CORPORATION)

Signed by)
for and on behalf of) /s/ H. H. Collinson
AIRTOURS PLC)

CARNIVAL CORPORATION
 STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS
 (in thousands, except per share data)

	Three Months Ended	
	February 29, 1996	February 28, 1995
Net income	\$77,065	\$67,552
Adjustments to net income for the purpose of computing fully diluted earnings per share:		
Interest reduction from assumed conversion of 4.5% Convertible Subordinated Notes	1,386	1,385
Adjusted net income	\$78,451	\$68,937
Weighted average shares outstanding	285,389	282,826
Adjustments to weighted average shares outstanding for the purpose of computing fully diluted earnings per share:		
Additional shares issuable upon assumed conversion of 4.5% Convertible Subordinated Notes	6,618	6,618
Adjusted weighted average shares outstanding	292,007	289,444
Earnings per share:		
Primary	\$0.27	\$0.24
Fully Diluted*	\$0.27	\$0.24

*In accordance with Accounting Principles Board Opinion No. 15, the Company does not present fully diluted EPS in its financial statements because the Company's convertible securities are anti-dilutive or result in a less than 3% dilution for the periods presented.

CARNIVAL CORPORATION
 RATIO OF EARNINGS TO FIXED CHARGES
 (in thousands, except ratios)

	Three Months Ended	
	February 29, 1996	February 28, 1995
Net Income	\$77,065	\$67,552
Income tax benefit	(3,526)	(4,830)
Income before income tax benefit	73,539	62,722
Fixed Charges:		
Interest expense, net	16,038	17,551
Interest portion of rental expense (1)	360	531
Capitalized interest	5,936	3,805
Total Fixed Charges	22,334	21,887
Fixed Charges Not Currently Affecting Income:		
Capitalized interest	(5,936)	(3,805)
Earnings before fixed charges	\$89,937	\$80,804
Ratio of earnings to fixed charges	4.0 x	3.7 x

(1) Represents one-third of rental expense, which Company management believes to be representative of the interest portion of rental expense.

3-MOS

NOV-30-1996
FEB-29-1996
291,694
26,603
30,280
0
49,542
471,025
4,318,882
681,659
4,542,966
650,168
1,479,393
2,850
0
0
2,393,460
4,542,966
0
448,788
0
263,696
0
0
21,974
73,539
3,526
77,065
0
0
0
77,065
0.27
0.27

